Advanced Diploma in Accounting and Finance [ACCA]
Advanced Diploma in Accounting and Finance [ACCA]

PROGRAMME HANDBOOK.
FOREWORD

Welcome by the Dean of BPP Business School

BPP has a long, diverse history and today is one of Europe’s biggest academic and professional educational provider. BPP University is also UK’s first private sector educational body with the privilege to award degrees. And at BPP Business School we offer a range of professional and academic programmes, including the Advanced Diploma in Accounting and Finance (ADAF) which will prepare you for your chosen career.

The Business School is uniquely positioned by virtue of the involvement of professional as well as academic experts and strong industry relationships. The school has a strong focus on employability and developing individuals into successful professionals.

All our tutors and support staff are here to support you through your academic journey and make it a remarkable success. We expect all our students to adhere to the highest standards and put their best efforts to achieve the academic success. It is our endeavour to continuously to improve the quality of education and student experience at the school. And I welcome your comments and suggestions on improving the overall student experience.

I hope you will find the student journey at the school memorable and fruitful. I wish you good luck with your studies.

Sarah McIlroy
Dean of BPP University Business School
Welcome from the Director of Degree Programmes

On behalf of the Business School and our programme team, I am pleased to welcome you to the ADAF programme. BPP has been training professionals for many years across a range of disciplines, and you have made an excellent choice for your first step on your professional career.

This accounting programme is designed to be intellectually stimulating and challenging, to widen your accounting education beyond your current experience. It is designed to shape the accountants of the future. You are about to undertake a programme which has been designed with the contemporary accounting landscape, and your role in it, in mind.

All of us at BPP Business School are keen to develop strong, mutually beneficial relationships with you to support you on this career journey. Throughout your time with us you will come into contact with professional staff from many disciplines that support the programmes in different ways. You will also find many opportunities to engage in building your industry knowledge and professional network. BPP University is not a traditional university, and your training with us is part of your professional career. Please take every opportunity that you can find to widen your experience, expand your network and progress your career with us.

You should have high expectations of us, and we have high expectations of you. We need your commitment from day 1, and we need to see you fully engaged in all the learning opportunities and activities, whether face to face or online via the virtual learning environment. Success on your undergraduate programme can be a route directly into the workplace or onto further study. At BPP we will continue to support your professional development with many programme and course options.

As future alumni and leaders of the future, we hope that your period of study at the Business School will be productive, positive and the beginning of a long-term association with us.

I look forward to getting to know you and wish you every success.

James Cumming
Director of Degree Programmes
BPP University Business School
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INTRODUCTION TO THE PROGRAMME

Details

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<th>Programme Title</th>
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</thead>
<tbody>
<tr>
<td>Qualification</td>
<td>Advanced Diploma</td>
</tr>
<tr>
<td>Awarding Body</td>
<td>BPP University</td>
</tr>
</tbody>
</table>

Overview of the Programme

The programme has been developed in line with the Business School Strategy, which seeks to develop future practitioners in the fields of accounting and finance. It has been designed to provide a programme of study which enables those interested in a career in accountancy or finance to develop the key foundation skills needed to operate effectively in the profession as well as providing a basis from which to embark on further academic or professional study...

In line with the broad aims of level 6 accounting programmes, as defined by the QAA, the programme is applied in nature, as it is linked to future employment in a particular discipline. Students will develop an in-depth knowledge and understanding of the discipline which is informed by current scholarship and research, and also by the practitioner context of the ACCA professional examinations and the practitioner skills of the Faculty delivering the programme.

The programme has been designed so that the nine modules of the Advanced Diploma each align to one of the nine Fundamentals Stage assessments of the ACCA (Association of Chartered Certified Accountants), professional accountancy qualification and the learning outcomes of the fundamentals stage papers are embedded within the modules. BPP Business School and ACCA are working together to accredit the Advanced Diploma, so that students successfully completing each module of the Advanced Diploma will be awarded an exemption from the corresponding ACCA Fundamentals Examination. On completion of all 9 modules of the Advanced Diploma a student will have received exemption from Papers F1 to F9 of the ACCA Professional Accounting qualification and will only require completion of 5 further ACCA examinations at the Professional Stage to qualify as an exam-qualified professional accountant. The alignment of the Advanced Diploma to the ACCA Professional Accounting qualification is illustrated on page 32.

On satisfactory completion of the Advanced Diploma students wishing to continue to study with BPP University will be eligible to apply to join:

Either Year 3 of the BSc Professional Accounting degree and obtain a BSc in Professional Accounting to complement their Advanced Diploma in Accounting and Finance. Papers F1 to F9 have been mapped to the BSc Professional Accounting degree as a validated point of entry to the final year of the degree programme (please see the documentation in Appendix 1, which documents the validation of entry to Year 3); or

The MSc in Accounting and Finance, which accepts completion of or exemption from ACCA Papers F1 to F9 as a validated point of entry. Students opting to study the MSc Accounting and Finance, will have the opportunity to study for the ACCA Professional Stage papers alongside their Master’s degree.
Students may of course also choose to study for a BSc in Professional Accounting, by completing the third year of the BSc Professional Accounting, followed by a Masters Degree in Accounting and Finance.

A number of features make this programme distinctive including:

- A high number of facilitated contact hours providing the opportunity for students to develop excellent working relationships in a supportive academic environment
- Teaching delivered by a mix of practitioner and academic staff ensuring that students will be appropriately prepared for accounting or finance as a profession as well as gaining an academic award
- The opportunity to receive credit for professional examinations concurrently with studying for an academic qualification
- Revision and ‘mock assessment’ sessions embedded in the programme to support student learning via formative assessment and regular feedback
- High quality materials – both physical and online
- In sessional English provided, via a bespoke ‘English for Finance Professionals’ module which will be delivered online
- Dedicated student managers who provide both pastoral and academic support

There are 3 key rationales that underpin the design of the programme:

1. The programme has been designed to ensure that it delivers the learning outcomes and develops the relevant professional, transferable skills required of an academically rigorous programme at levels 4, 5 and 6 in accordance with the QAA.
2. The programme has been designed to provide a high quality intensive learning experience for students wishing to pursue academic and professional study in accounting and finance and to prepare for their future professional careers.
3. The programme has been designed to enable students to receive credit via examination exemptions from the Fundamentals Level examinations of the ACCA qualification from the assessments undertaken on the programme.

Structure of the Programme

The Programme has been designed based on a mixture of 30 and 40 credit modules). The size of the modules reflects the high volume of academic content and professional skills contained in each, and relates therefore to the expected learning hours (either 300 or 400 depending on the level). The module size also reflects the highly specialised nature of the programme.

The programme team is mindful that we want to produce graduates of the programme who both demonstrate appropriate academic credentials, but who are also equipped to take on roles in a professional environment and as such, will need to undertake further professional
examinations. We will therefore dedicate appropriate time throughout the programme to addressing all of these aims.
Programme Outline

The diagrams below show:

- The modules studied each term
- The academic credits attached to each module

Term 1

Accountant in Business 30 Credits
Management Accounting 30 Credits
Financial Accounting 1 30 Credits
Corporate and Business Law 40 Credits

Term 2

Performance Management 40 Credits
Taxation 40 Credits

Term 3

Financial Reporting 40 Credits
Audit & Assurance 40 Credits
Financial Management 40 Credits

Advanced Diploma in Accounting & Finance [ACCA]
ACCA (Association of Chartered Certified Accountants) Professional Qualification

The ACCA Qualification is a professional accountancy qualification recognised globally, with in excess of 150,000 students enrolled on the qualification at any one time.

It is a rigorous, practitioner-based professional qualification, providing students with the necessary technical expertise and competencies to practice in a range of fields such as auditing, financial management and advisory services. It is widely supported, globally, by leading audit practices, industry and the public sector.

The Fundamentals Level of the qualification consists of 9 papers which have been benchmarked against the FHEQ descriptors at levels 4 and 6 and, on completion, confer an Advanced Diploma in Accounting and Business from the ACCA.

In partnership with Oxford Brookes University completion of the Fundamentals Level of the qualification is benchmarked academically at 330 academic credits and, together with the completion of a final 30 credit research project, enables ACCA registered students to obtain a BSc in Applied Accounting from Oxford Brookes University.

The Educational Recognition Document produced by the ACCA, providing an overview of the statutory and education recognition of ACCA and ACCA’s qualifications, is included at Appendix 2 of this document.

The ACCA Professional Accounting qualification is at the forefront of developments in the profession and seeks to ensure that those who achieve the qualification are fit to practice and capable of upholding the standards of the profession. It is therefore appropriate to embed the learning outcomes of the Fundamentals Stage of this qualification into the programme to provide students with the most up to date developments and thought leadership.

The ACCA Professional Accounting qualification and its relationship to the Advanced Diploma in Accounting and Finance [ACCA] is set out in the diagram on the next page.
### Mapping the Modules of the Advanced Diploma in Accounting and Finance [ACCA] to the ACCA Fundamentals Level

On successful completion (pass mark of 40%) of a module of the Advanced Diploma in Accounting and Finance [ACCA] an exemption can be applied for the equivalent ACCA Fundamentals stage examination (subject to accreditation of the programme by ACCA), as shown below:

<table>
<thead>
<tr>
<th>Advanced Diploma in Accounting and Finance [ACCA]</th>
<th>ACCA Fundamentals Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant in Business</td>
<td>F1</td>
</tr>
<tr>
<td>Management Accounting</td>
<td>F2</td>
</tr>
<tr>
<td>Financial Accounting</td>
<td>F3</td>
</tr>
<tr>
<td>Corporate and Business Law</td>
<td>F4</td>
</tr>
<tr>
<td>Performance Management</td>
<td>F5</td>
</tr>
<tr>
<td>Taxation</td>
<td>F6</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>F7</td>
</tr>
<tr>
<td>Audit and Assurance</td>
<td>F8</td>
</tr>
<tr>
<td>Financial Management</td>
<td>F9</td>
</tr>
</tbody>
</table>
Programme Aims

The aim of the Advanced Diploma Accounting and Finance [ACCA] is to develop professional skills at Levels 4, 5 and 6, in the context of an academically rigorous programme of accounting and financial education.

This programme equips its graduates to:

- Gain a comprehensive understanding of the role and function of accounting and how its various disciplines interrelate and contribute to the effective management of organisations;
- Develop a critical understanding of the key concepts within the main accounting disciplines to enable their real application at a professional level;
- Develop an understanding of professional judgement and professional ethics, including the competence, confidence and maturity to apply it in the appropriate contexts;
- Gain a comprehensive and systematic knowledge of the theories, models and techniques of accounting, including being able to critically evaluate their effectiveness in different situations;
- Develop a range of skills and attitudes which facilitate effective transitions into the work environment, including an appreciation of the responsibility of accountants as leaders in organisations;
- Become effective communicators of complex financial findings and reasoned recommendations.
- Develop students written English through support modules.

This qualification achieves the above by providing grounding in the knowledge of core concepts, principles and key skills associated with the curriculum areas of accounting and finance.

The modules and elements described below are subject to more detailed briefing papers and bibliographies issued at appropriate points throughout the programme.

In some instances, information regarding the content of a module is indicative, and actual module content will be determined according to considerations which are taken into account closer to the point of delivery.
**Programme Learning Outcomes**

Learning outcomes describe what you should know and be able to do if you make full use of the opportunities for learning that the Programme provides.

**Knowledge and Understanding**

<table>
<thead>
<tr>
<th>Ref</th>
<th>A. Students should be able to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>K1</td>
<td>Understand the application and limitations of internationally recognised accounting techniques including the implications of such limitations.</td>
</tr>
<tr>
<td>K2</td>
<td>Understand the key concepts of acquired knowledge of taxation issues and recognise the need to seek further specialist advice where necessary.</td>
</tr>
<tr>
<td>K3</td>
<td>Use relevant, internationally recognised, financial and management accounting techniques for planning, decision-making, performance evaluation and control, within different business settings.</td>
</tr>
<tr>
<td>K4</td>
<td>Understand the general legal framework, apply specific legal principles relating to business and recognise the need to seek further specialist advice, where necessary.</td>
</tr>
<tr>
<td>K5</td>
<td>Understand the ethical responsibilities of professional accountants, including the principles of a code of conduct from a professional body.</td>
</tr>
<tr>
<td>K6</td>
<td>Describe the organisational context of the accountant and of the development of accounting information systems, and demonstrate understanding of the need for the efficient use of resources within an organisation.</td>
</tr>
</tbody>
</table>

**Cognitive Skills**

<table>
<thead>
<tr>
<th>Ref</th>
<th>B. Students should be able to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Critically evaluate internationally accepted accounting concepts and principles and their application in solutions to practical accounting problems.</td>
</tr>
<tr>
<td>C2</td>
<td>Evaluate and comment on the performance and financial situation of organisations using a range of data and interpretative techniques.</td>
</tr>
<tr>
<td>C3</td>
<td>Evaluate the ethical responsibilities of professional accountants, including the principles of a code of conduct from a professional body, and reflect on ethical dilemmas and potential solutions.</td>
</tr>
</tbody>
</table>

**Professional Skills and Attitudes**

<table>
<thead>
<tr>
<th>Ref</th>
<th>C. Students should be able to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Select and apply appropriate, accounting and financial management techniques to organisational business planning, decision-making and control in an international context.</td>
</tr>
<tr>
<td>P2</td>
<td>Prepare financial statements of entities, using relevant financial information, accounting techniques and standards; and analyse and interpret such financial statements.</td>
</tr>
<tr>
<td>P3</td>
<td>Communicate analysis of accounting and financial information and recommendations to a variety of different audiences</td>
</tr>
<tr>
<td>P4</td>
<td>Explain the process of carrying out the assurance (audit) engagement and its application in the context of the professional (audit) regulatory framework.</td>
</tr>
<tr>
<td>P5</td>
<td>Apply financial management techniques to issues affecting investment, financing, and dividend policy decisions of an organisation in an international context.</td>
</tr>
</tbody>
</table>

General Transferable Skills

<table>
<thead>
<tr>
<th>Ref</th>
<th>D. Students should be able to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>Clearly communicate complex ideas and arguments, to professionally advise or influence specialist and non-specialist audiences in their decision making processes.</td>
</tr>
<tr>
<td>T2</td>
<td>Solve problems through the identification of key issues, synthesis of information and analytical tools, and the presentation and critical evaluation of a range of options.</td>
</tr>
</tbody>
</table>

These Learning Outcomes reflect those that will be achieved for the Advanced Diploma Accounting and Finance [ACCA].
## DIAGRAM OF OUTCOMES LEADING TO AWARD

### Advanced Diploma in Accounting and Finance [ACCA]: Term 1

<table>
<thead>
<tr>
<th>Module</th>
<th>Credit Rating</th>
<th>Work for Assessment</th>
<th>Requirement for Award</th>
<th>Weighting for Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant in Business</td>
<td>30 Credits</td>
<td>Formative&lt;br&gt;MCQ tests, Mock examinations, Group presentations, Class-based activities&lt;br&gt;<strong>Summative</strong>&lt;br&gt;1. 2 hour unseen examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>9.09% DIP</td>
</tr>
<tr>
<td>Management Accounting</td>
<td>30 Credits</td>
<td>Formative&lt;br&gt;MCQ tests, Mock examinations, Group presentations, Class-based activities&lt;br&gt;<strong>Summative</strong>&lt;br&gt;1. 2 hour unseen examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>9.09% DIP</td>
</tr>
<tr>
<td>Financial Accounting</td>
<td>30 Credits</td>
<td>Formative&lt;br&gt;MCQ tests, Mock examinations, Group presentations, Class-based activities&lt;br&gt;<strong>Summative</strong>&lt;br&gt;1. 2 Hour Unseen Examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>9.09% DIP</td>
</tr>
</tbody>
</table>
## Term 2:

<table>
<thead>
<tr>
<th>Module</th>
<th>Credit Rating</th>
<th>Work for Assessment</th>
<th>Requirement for Award</th>
<th>Weighting for Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Business Law</td>
<td>40 Credits</td>
<td>Formative: MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>Compulsory</td>
<td>12.12% DIP</td>
</tr>
<tr>
<td></td>
<td>Level 5</td>
<td>Summative: 1. 2 Hour Unseen Examination [100% of Module Grade]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Management</td>
<td>40 Credits</td>
<td>Formative: MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>Compulsory</td>
<td>12.12% DIP</td>
</tr>
<tr>
<td></td>
<td>Level 5</td>
<td>Summative: 1. 3 Hour Unseen Examination [100% of Module Grade]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>40 Credits</td>
<td>Formative: MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>Compulsory</td>
<td>12.12% DIP</td>
</tr>
<tr>
<td></td>
<td>Level 5</td>
<td>Summative: 1. 3 Hour Unseen Examination [100% of module grade]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Term 3:**

<table>
<thead>
<tr>
<th>Course</th>
<th>Credits</th>
<th>Level</th>
<th>Formative</th>
<th>Summative</th>
<th>Compulsory</th>
<th>DIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reporting</td>
<td>40</td>
<td>6</td>
<td>MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>3 Hour Unseen Examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>12.12</td>
</tr>
<tr>
<td>Audit and Assurance</td>
<td>40</td>
<td>6</td>
<td>MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>3 Hour Unseen Examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>12.12</td>
</tr>
<tr>
<td>Financial Management</td>
<td>40</td>
<td>6</td>
<td>MCQ tests, Mock examinations, Group presentations, Class-based activities</td>
<td>3 Hour Unseen Examination [100% of Module Grade]</td>
<td>Compulsory</td>
<td>12.12</td>
</tr>
</tbody>
</table>

**Exit Award:** Advanced Diploma in Accounting & Finance [ACCA]
OVERALL LEARNING, TEACHING AND ASSESSMENT STRATEGY

This section provides you with a short description of how you will be taught on the Programme.

Overall Learning and Teaching philosophy:
This programme’s design has been informed by a desire to bring together an appropriate balance of academic and practitioner elements to equip students with the right blend of skills and knowledge to meet the demands of the 21st century professional in the work place, as well as contributing to the academic development of the accounting and finance professions.

BPP Business School recognises that possessing professional qualifications alone does not automatically confer full competence and capability for future business leaders. We understand what organisations want and need from their staff, and have therefore designed a programme of study to meet those demands.

The overall learning and teaching strategy of the programme is directed towards producing accounting and finance practitioners who are comfortable to operate at the managerial level of an organisation, and who can undertake a range of practical activities within the context of an accounting department. The strategy is explicitly designed to contribute to the achievement of the intended learning outcomes at programme and module level and to provide opportunities and support for all students to develop intellectual and subject-specific skills as well as more general transferable and professional skills.

The learning and teaching strategy has been designed in consultation with key stakeholders from the accounting and finance professions and the academic community to overcome the concerns, long established, about the gap between what employers want from accounting graduates and what they get. The approach to learning and teaching seeks to maximise the relationship between the University, the profession and the professional body (ACCA).

This programme therefore places an emphasis on helping learners develop as business/organisation focussed professionals through enhancement of their employability skills as well as in-depth academic/practitioner study. We place great emphasis on personal development, and throughout the programme there will be a focus on active learning with activities outside the ‘taught’ component. You will therefore be required to prepare thoroughly, to attend and participate, and to consolidate your learning afterwards.

Students are therefore expected to take a major responsibility for their own intellectual development and thus demonstrate attainment of the professional and transferable skills expected of accounting and finance professionals and graduates.

Opportunities will be included for students to reflect on their knowledge, experience and practice to capitalise on their current and prior experiences.
The delivery of the Advanced Diploma in Accounting and Finance [ACCA] is a blended approach incorporating:

- **E-learning** – Delivered by BPP Faculty and available via the VLE (Virtual Learning Environment)
- **Classroom based learning** – Facilitated by BPP Faculty (to include face to face lectures and facilitate group and individual work, as well as opportunities for individual help and support.
- **Self-managed learning** – Guided by BPP faculty (to consolidate classroom activity)

**Modules**

The programme is made up of a series of modules that, taken as a whole, provide the full range of programme learning outcomes. These modules are linked to levels 4, 5 and 6 of the National Framework for Higher Education Qualifications and the Subject Benchmark statements for Accounting set by the Quality Assurance Agency for Higher Education. The overall programme has been designed in alignment with the QAA guidelines on higher education characteristics at level 6. Characteristics relating to applied programmes and these principles have informed the design of each module.

This document provides an outline for every module that can be undertaken during the Programme. Module Learning Outcomes are designed around the four broad categories of Knowledge and Understanding, Cognitive Skills, Professional Skills and Attitudes and General Transferable Skills. This is in accordance with the BPP Manual of Policies and Procedures, Part H, Section 10 paragraph 14.

In order to develop the requisite level of technical competence, students must undertake 9 core modules over 3 semesters. These modules are primarily concerned with relevant technical areas of contemporary accounting and finance and will prepare students to the required standards both academically and professionally. The subject areas covered will ensure access to a broad base of accounting and finance concepts and opportunities to synthesise knowledge across the areas of the discipline and to begin to challenge both academic and practitioner thinking.

Students will also be provided with a non credit bearing module entitled ‘Academic Skills and Employability’. This is provided for all students in the Business School at level 4 and supports students in managing the ‘bridge’ between previous studies and the requirements of a professional programme as well as supporting the development of professional skills. This module consists of 20 sessions and students can elect to attend the whole programme or to sign up for specific sessions. As an example, the module includes sessions on time management, Etiquette in Business Writing, effective revision techniques and coping with stress in exams.

**Learning and Teaching Methods**

**Classroom based learning**

A high level of guided contact time is included in this programme in recognition of the fact that the areas of study are both numerous, and academically and technically challenging. In addition, the programme is designed to enable students to receive exemptions from equivalent professional examinations from the ACCA Fundamentals Stage.
The emphasis of learning activities will be on the development and application of skills and knowledge to practical and work-based contexts and constraints. Key skills of quantitative application, investigative problem solving, synthesis of ideas and development of reasoned argument and conclusions will be emphasised throughout the programme. This may involve the use of case studies, group role plays and specific scenario based activities.

Throughout individual modules there will be an emphasis upon participation and student interaction. The tutor is a learning facilitator and, therefore, students will be expected to arrive with questions and ideas, to have prepared with prior readings, and to lead parts of the session. It is through this method that ideas can best be examined, defended, justified and reflected upon. Each topic within the modules will be designed to be delivered in a manner most appropriate to achieving the learning outcomes. Some examples are listed below although the list is not exhaustive:

- Group work
- Case study exercise
- Independent research and analysis
- Presentations
- Class debate and discussion

- **Lectures and seminars**
  - On line lectures will be delivered on the main subject areas covering the key concepts and principles of the discipline/field of study and these will be discussed in the classroom. The emphasis of the lectures is on the acquisition of knowledge, with the application skills developed in class. The accounting and finance professions is heavily regulated and it is right that there is a strong emphasis on students comprehension of the key practice-based, regulatory and legal frameworks that govern this field. Without such thorough understanding students would not be able to progress as competent professionals.

- For the knowledge intensive subjects lectures may include worked examples to enable students to ‘apply’ their learning in practice and are driven primarily by an assessment for learning approach. Time will be given for question and answer sessions to ensure that students have grasped the key concepts and principles and can apply the knowledge.

Students will be encouraged to be on site for 3 full days per week and during the day will undertake facilitated and independent activities. Appropriate preparation work will be required as follows:

**The Reading Programme:**

Each module provides guided reading and indicative bibliography, and throughout the programme emphasis is placed on independent study.

**E-learning/Independent Learning**

Preparation, extension and consolidation activities will be available on line to enable students to catch up or develop beyond the threshold. There will be a series of online activities that the students can attempt as many times as they choose. The nature and type of such activities will vary dependent upon the nature and the learning outcomes of the particular module. On line tests will enable the students to receive instant feedback and make decisions about their own learning and
approach to study. It will also provide motivation as they can see their progression through the module.

**Student Manager**

Each student on the programme will have a student manager who will support them throughout their time at BPP. The role of a student manager is to provide the first line of enquiry and offer support to a student concerning any aspect of a student’s academic experience and to ensure they access all the support they need to get the best out of the programme.

**Assessment Strategy**

The assessment strategy for the Advanced Diploma in Accounting and Finance [ACCA] has been designed to provide students with a variety of challenges appropriate to students on a professionally-oriented undergraduate programme. As with the overall learning and teaching strategy, the assessment strategy has also been designed in consultation with the professional body (ACCA).

The assessment strategy is underpinned by the BPP University regulatory framework which states that:

Examination and assessment will be used to:

- Provide the basis for decisions on students’ learning needs
- Provide feedback to students to help with their learning
- Provide a basis for a decision on students’ readiness to progress
- Provide a basis for a decision whether they qualify for an award
- Provide a basis for a decision about the grading of their achievement.

*(BPP Manual of Policies and Procedures, Part H, Section 10 paragraph 6)*

**Knowledge and cognitive skills-based modules**

Work is assessed using both formative and summative assessments. The summative assessment determines the grade for the module as a whole and, in all nine modules, will be examination-based to meet the requirements of professional competence as set out by the ACCA.

Formative assessments are undertaken to assist academic progress and have no bearing on the final grade. Formative achievement ladders will be used in all nine modules and are designed to gradually prepare students for the summative assessment through a series of progressive activities that build in complexity throughout the module.
Feedback, either formal or informal, will be provided at each stage of the achievement ladder, ensuring students can act upon, and learn from, their formative assessments. Progress will be recorded and students will be able to see clearly their progression against the learning outcomes. Depending on the nature of the assessments there will be a variety of peer-, self- and tutor-assessed work. Students can seek support from their Personal Tutors to help them understand their feedback and produce a plan for improvement.

Formative assessment may take various forms such as:

- Multiple-choice questions
- Short answer questions
- Discussion activities
- Interactive quizzes and tasks
- Practice exam questions
- Group presentations.

EMPLOYABILITY STRATEGY

BPP University is the University for the Professions, and is committed to preparing graduates to enter the world of work. A key enabler to this is the embedding of a career ready strategy into programmes and curriculum. The aims of the career ready strategy are to:

- Enhance the development of ‘career-ready’ skills, attributes and behaviours that will be of value to students throughout their careers.
- Give students a ‘leading edge’ with employers to achieve their career goals
- Create an integrated University wide approach to enabling students to become ‘career-ready’
The 10 ‘Career-ready’ Skills

To provide focus for the strategy the cross university working group have set out 10 career-ready skills identified by employers as critical to the success of their organisations and to the economy as a whole. Students need to be able to articulate and demonstrate these skills, attributes and behaviours and as an organisation BPP is committed to building opportunities to develop or enhance these skills throughout their student experience.

The 10 Career-Ready Skills are:

- Problem Solving
- Communication
- Self Management
- Team Working
- Adaptability, Flexibility and Resilience
- Leadership
- Business and Customer Understanding
- Application of Numeracy and Application of IT
- Enterprise
- Professional Context Skills

All modules in the programme will clearly indicate the embedded career ready skills each week, and these are central to the design of the learning activities each week.

All Professional Accounting Institutes require students to demonstrate employability skills as part of their record of professional experience, and the design of the programme will prepare students adequately to undertake that task, and will initiate the development of such skills.
ACCOUNTANT IN BUSINESS

General Information

<table>
<thead>
<tr>
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<td>Rachel Hayes</td>
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Introduction

This module introduces knowledge and understanding of the business and its environment and the influence this has on how organisations are structured and on the role of the accounting and other key business functions in contributing to the efficient, effective and ethical management and development of an organisation and its people and systems.

The Accountant in Business module introduces students who may not have a business background, to the business, which as an entity is made up of people and systems which interact with the environment and with each other. The module begins with examining the purpose and types of business which exist, the key stakeholders and the rights and responsibilities that businesses have in connection with them, exploring the external influences that affect the business in its environment, including economic, legal, social and technological factors. The module also examines the structure and functions of business, focusing on corporate governance and the specific accounting related roles in this process, particularly in financial reporting, assurance, control and compliance. The module then introduces key leadership, management and people issues such as effective individual and team behaviour, motivation and personal effectiveness.

The final section of the module examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.
Educational Aims

This module aims to allow students to:

- Understand the purpose and types of businesses and how they interact with key stakeholders and the external environment.
- Understand business organisation structure, functions and the role of corporate governance.
- Recognise the function of accountancy and audit in communicating, reporting and assuring financial information and in effective financial control and compliance.
- Recognise the principles of authority and leadership and how teams and individuals are recruited, managed, motivated and developed.
- Understand the importance of personal effectiveness as the basis for effective team and organisational behaviour.
- Recognise that all aspects of business and finance should be conducted in a manner which complies with and is in the spirit of accepted professional ethics and professional values.

Learning Outcomes

After completing this module, you will be able to:

- Describe the organisational context of the accountant and of the development of accounting information systems.
- Understand the need for efficient use of resources within an organisation.
- Understand the ethical responsibilities of professional accountants.
- Identify ethical dilemmas and potential solutions.
- Comment on the performance and financial management techniques to organisational business planning.
- Understand the ethical responsibilities of professional accountants and reflect on ethical dilemmas and potential solutions.
- Solve problems through the identification of key issues, and the evaluation of a range of simple options.
The table shows where the module learning outcomes above achieve the programme learning outcomes.

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<thead>
<tr>
<th></th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
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<td>Knowledge and understanding</td>
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<td>Cognitive (thinking) skills</td>
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**Mode of Assessment**

This module is assessed through the completion of

One, two hour unseen examination.

In addition to the summative element, the module contains the following formative elements:

**Formative Elements**

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

**Summative Element**

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, two hour, unseen assessment
The assessments are marked according to the Level 4 Marking Criteria contained in your programme handbook.

For the classification of your Advanced Diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

**Indicative Reading**

**Core Text:**

BPP ACCA Paper F1 Accountant in Business Study text  
BPP ACCA Paper F1 Accountant in Business Practice and Revision kit  
BPP ACCA Paper F1 Accountant in Business Course Notes

**Other Books and texts**

These texts would be used for reference and for students interested in background reading to further their studies:


**Additional Resources**

Jones, Mowen, Hanson, Heitger & Rich (2012) Financial and Managerial Accounting, The cornerstones of business decisions; (2nd Ed) Cengage  
Smith T (1996), Accounting for Growth (2nd ed), Century Business Books,  

**Articles**

Is one global model of corporate governance likely or even desirable?, Knowledge@wharton 2008  
Smith S, (2005), —Read between the lines , FT.com, 16 September  
Authers, J., (2007), —Number-crunchers are socially desirable again , FT.com, 17 November  

**Useful websites**

Bloomberg  
FT  
Harvard Business Review  
Reuters  
The Economist  
Wall Street Journal
Wharton

Professional accounting bodies:
ICAEW – www.icaew.com
ACCA – www.accaglobal.com
CIMA – www.cimaglobal.com

Regulators:
IASB – www.iasb.org
FASB – www.fasb.org
ASB – www.frc.org.uk/asb/
FRC – www.frc.org.uk
SEC – www.sec.gov
IOSCO – www.iosco.org

Company Websites www.annualreports.com
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: The Accountant in Business

Syllabus:

The business organisation, its stakeholders and the external environment
- The purpose and types of business organisation
- Stakeholders in business organisations
- Political and legal factors affecting business
- Macroeconomic factors Micro economic factors
- Social and demographic factors
- Technological factors
- Environmental factors
- Competitive factors

Business organisational structure, functions and governance
- The formal and informal business organisation
- Business organisational structure and design
- Organisational culture in business
- Committees in business organisations
- Governance and social responsibility in business

Accounting and reporting systems, controls and compliance
- The relationship between accounting and other business functions
- Accounting and finance functions within business organisations
- Principles of law and regulation governing accounting and auditing
- The sources and purpose of internal and external financial information, provided by business
- Financial systems, procedures and related IT applications
- Internal controls, authorisation, security of data and compliance within business
- Fraud and fraudulent behaviour and their prevention in business, including money laundering.

Leading and managing individuals and teams
- Leadership, management and supervision
- Recruitment and selection of employees
- Individual and group behaviour in business organisations
- Team formation, development and management
- Motivating individuals and groups
- Learning and training at work
Review and appraisal of individual performance.

**Personal effectiveness and communication**
- Personal effectiveness techniques
- Consequences of ineffectiveness at work
- Competence frameworks and personal development
- Sources of conflicts and techniques for conflict resolution and referral
- Communicating in business.

**Professional ethics in accounting and business**
- Fundamental principles of ethical behaviour
- The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession
- Corporate codes of ethics
- Ethical conflicts and dilemmas
<table>
<thead>
<tr>
<th>Topic</th>
<th>Content</th>
<th>Learning and Teaching Strategy</th>
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</table>
| **INDUCTION** | At the end of this topic you will be able to:  
**Topic 1: The purpose and types of business organisation**  
- Define ‘business organisations’ and explain why they are formed.  
- Describe common features of business organisations.  
- Outline how business organisations differ.  
- List the industrial and commercial sectors in which business organisations operate.  
- Identify the different types of business organisation and their main characteristics:  
  i) Commercial  
  ii) Not-for-profit  
  iii) Public sector  
  iv) Non-governmental organisations  
  v) Cooperatives  
**Topic 2: Stakeholders in business organisations:**  
- Define stakeholders and explain the agency relationship in business and how it may vary in different types of business organisation.  
- Define internal, connected and external stakeholders and explain their impact on the organisation.  
- Identify the main stakeholder groups and the objectives of each group.  
- Explain how the different stakeholder groups interact and how their objectives may conflict with one another. | **Preparation for Session 1:**  
**Key Reading:**  
Read Chapter 1 of the study text: Business Organisations and Stakeholders in preparation for Session 1  
**Preparation for the session:**  
Individual research into key business sectors – find examples of companies in each, for example manufacturing, retail, financial services, charity  
**During the session:**  
**Introductory lecture:** Nature of Organisations – key features and attributes  
**Class discussion** – based on individual research, how do organisational features differ across different sectors (for example, structure, culture, management style)  
**Class Activity** – Analyse the differences between different organisational types  
**Presentation/Discussion:**  
The concept of stakeholders and Mendelow’s matrix  
**Pair work:**  
Practical exercise to assess an organisation using Mendelow  
**Debrief by tutor**  
**Group work:**  
Stakeholder assessment of a real life company – e.g. McDonalds, Glaxo  
Feedback to class on power balance and risks to the organisation |
- Compare the power and influence of various stakeholder groups and how their needs should be accounted for, such as under the Mendelow framework.

**Topic 3: Political and legal factors affecting business**

- Explain how the political system and government policy affect the organisation.
- Describe the sources of legal authority, including supra-national bodies, national and regional governments.
- Explain how the law protects the employee and the implications of employment legislation for the manager and the organisation.
- Identify the principles of data protection and security.
- Explain how the law promotes and protects health and safety in the workplace.
- Recognise the responsibility of the individual and organisation for compliance with laws on data protection, security and health and safety.
- Outline principles of consumer protection such as sale of goods and simple contract

**Topic 4: Macro-economic factors**

- Define macro-economic policy and explain its objectives.
- Explain the main determinants of the level of business activity in the economy and how variations in the level of business activity affect individuals, households and businesses.
- Explain the impact of economic issues on the individual, the household and the business:
  i) Inflation
  ii) Unemployment
  iii) Stagnation
  iv) International payments disequilibrium.

**Introductory Lecture:**
PESTLE/Why organisations need to assess the environment
Porter’s 5 Forces
Porter’s value chain

**Class Exercises**
Tutor to facilitate a range of exercises to memorise and apply the models in different contexts, for example:
Health and Safety – Major Gym Chain
Security – Airline
Legal Requirements – Management Consultancy
Data Protection – review a statement and comment on effectiveness

**Class Discussion**
Application of the Value Chain to Ryanair and British Airways – how does it differ?

**Lecture**
Macro and micro economic factors
**Facilitated Exercises**
Application of theories
### Session 2

**BUSINESS ORGANISATION STRUCTURE, FUNCTIONS AND GOVERNANCE**

At the end of these topic you will be able to:

**Topic 1: The formal and informal business organisation**
- Explain the informal organisation and its relationship with the formal organisation.

---

**Homework and preparation for the next session:**
- Review course notes and lecture examples
- Undertake relevant achievement ladder steps
- Class Quiz

---

**Preparation for the session:**
- Read relevant chapters from BPP study text

During the session:

**Lecture:**
- Organisational Structures

**Class Exercise:**
- Review case studies to compare different structures and appropriateness
- Describe the impact of the informal organisation on the business.

**Topic 2: Business organisation structure and design**
- Describe the different ways in which formal organisations may be structured
  1. Entrepreneurial
  2. Functional
  3. Matrix
  4. Divisional: (geographical, by product, or by customer type)
  5. Boundary less: (virtual, hollow or modular)
- Explain basic organisational structure concepts:
  1. Separation of ownership and management
  2. Separation of direction and management
  3. Span of control and scalar chain
  4. Tall and flat organisations
  5. Outsourcing and offshoring,
  6. Shared services approach
- Explain the characteristics of the strategic, tactical and operational levels in the organisation in the context of the Anthony hierarchy.
- Explain centralisation and decentralisation and list their advantages and disadvantages,
- Describe the roles and functions of the main departments in a business organisation:
  1. Research and development
  2. Purchasing
  3. Production
  4. Direct service provision
  5. Marketing
  6. Administration
  7. Finance.
    - Explain the role of marketing in an organisation:
      1. Definition of marketing
      2. Marketing mix

**Case Study:**
Virtual Organisations and how they work
For example – Digital Consultancy
Matrix Structure – effective project management

**Pair work:**
Analyse organisational diagrams to assess effectiveness in context

**Mini lecture:**
Explain Anthony’s hierarchy and the impact on organisational activity

**Class Discussion – Significance of Organisational Functions**
Put the class into groups to represent each organisational function. Each group to prepare a 5 minute presentation on the key activities of each function and the importance to the business

**Tutor to summarise findings**
### Topic 3: Organisational culture in business

- Define organisational culture.
- Describe the factors that shape the culture of the organisation.
- Explain the contribution made by writers on culture:
  - i) Schein – determinants of organisational culture
  - ii) Handy – four cultural stereotypes
  - iii) Hofstede – international perspectives on culture

### Topic 4: Committees in business organisations

- Explain the purposes of committees.
- Describe the types of committees used by business organisations.
- List the advantages and disadvantages of committees.
- Explain the roles of the Chair and Secretary of a committee.

### Topic 5: Governance and social responsibility in business

- Explain the agency concept in relation to corporate governance.
- Define corporate governance and social responsibility and explain their importance in contemporary organisations.
- Explain the responsibility of organisations to maintain appropriate standards of corporate governance and corporate social responsibility.
- Briefly explain the main recommendations of best practice in effective corporate governance:
  - i) Executive and non-executive directors
  - ii) Remuneration committees

---

**Lecture:**
Key Theories on Organisational Culture (Handy, Hofstede, Schein etc.)

**Class Discussion**
Assess key individuals and their cultural impact, for example Alan Sugar, Richard Branson etc. and relate to models

**Lecture:**
Committees – organisation, governance and control

**Simulation:**
Set up and run a committee meeting:
- Purpose
- Agenda
- Minutes
Observers to monitor and feedback to group on findings
Assess problems inherent in committee structures

**Lecture:**
Principles of Corporate Governance (UK and Global systems)
iii) Audit committees
iv) Public oversight

- Explain how organisations take account of their social responsibility objectives through analysis of the needs of internal, connected and external stakeholders.
- Identify the social and environmental responsibilities of business organisations to internal, connected and external stakeholders.

**Case Study**
Assess for corporate governance weaknesses and identify actions to rectify situation

**Activity:**
Individual work – activity to link CG with stakeholders and broader organisational goals

**Session 3**

**ACCOUNTING AND REPORTING SYSTEMS, CONTROLS AND COMPLIANCE**

At the end of these topics you will be able to:

**Topic 1: The relationship between accounting and other business functions**

- Explain the relationship between accounting and other key functions within the business such as procurement, production and marketing.
- Explain financial considerations in production and production planning.
- Identify the financial issues associated with marketing.
- Identify the financial costs and benefits of effective service provision.

**Topic 2: Accounting and finance functions within business**

- Explain the contribution of the accounting function to the

**Preparation for the session:**
Reading from relevant chapters of study text

**During the session:**
Lecture:
Role of Accounting
Strategic Benefits of Accountants as Business Advisors

**Lecture/Guided Activity:**
formulation, implementation, and control of the organisation’s policies, procedures, and performance.

- Identify and describe the main financial accounting functions in business:
  i) recording financial information
  ii) codifying and processing financial information
  iii) preparing financial statements

- Identify and describe the main management accounting and performance management functions in business:
  i) Recording and analysing costs and revenues
  ii) Providing management accounting information for decision-making
  iii) Planning and preparing budgets and exercising budgetary control.

- Identify and describe the main finance and treasury functions:
  i) Calculating and mitigating business tax liabilities
  ii) Evaluating and obtaining finance
  iii) Managing working capital
  iv) Treasury and risk management.

- Identify and describe the main audit and assurance roles in business
  i) Internal audit
  ii) External audit.

- Explain the main functions of the internal auditor and the external auditor and how they differ.

**Topic 3: Principles of law and regulation governing accounting and audit**

- Explain basic legal requirements in relation to retaining and submitting proper records and preparing and auditing financial reports.
- Explain the broad consequences of failing to comply with the legal requirements of the profession.

**Lecture:**
Accounting, Audit and the legal requirements of the profession

**Activity:**
Class Question to link accounting activity to corporate governance and risk management
requirements for maintaining and filing accounting records.

- Explain how the international accountancy profession regulates itself through the establishment of reporting standards and their monitoring.

**Topic 4: The sources and purpose of internal and external financial information, provided by business**

- Explain the various business purposes for which the following financial information is required:
  
  (i) The statement of profit or loss
  (ii) The statement of financial position
  (iii) The statement of cash flows
  (iv) Sustainability and integrated reports

- Describe the main purposes of the following types of management accounting reports:
  
  i) Cost schedules
  ii) Budgets
  iii) Variance reports

**Topic 5: Financial systems, procedures and related IT applications**

- Identify an organisation’s system requirements in relation to the objectives and policies of the organisation.

- Describe the main financial systems used within an organisation:
  
  i) Purchases and sales invoicing
  ii) Payroll
  iii) Credit control
  iv) Cash and working capital management

- Explain why it is important to adhere to policies and procedures for handling clients’ money.

- Identify weaknesses, potential for error and inefficiencies in accounting systems.

- Recommend improvements to accounting systems to prevent

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**Class Activity:**

- Review of a set of Accounts via facilitated discussion to assess what information is provided and how it can be interpreted.

**Class Activity:**

- Assessment of an organisation's financial systems to identify
  
  - Purpose
  - Benefits
### Topic 6: Internal controls, authorisation, security and compliance within business

- Explain internal control and internal check.
- Explain the importance of internal financial controls in an organisation.
- Describe the responsibilities of management for internal financial control.
- Describe the features of effective internal financial control procedures in an organisation, including authorisation.
- Identify and describe the types of information technology and information systems used by the business organisation for internal control.
- Identify and describe features for protecting the security of IT systems and software within business.
- Describe general and application systems controls in business.

#### Class Activity:

**Audit simulation**

Facilitated activity to review the audit procedures required within accounting systems.

---

### Topic 7: Fraud and fraudulent behaviour and their prevention in business

- Explain the circumstances under which fraud is likely to arise.
- Identify different types of fraud in the organisation.
- Explain the implications of fraud for the organisation.

#### Pair work:
- Explain the role and duties of individual managers in the fraud detection and prevention process.
- Define the term money laundering.
- Give examples of recognised offences under typical money laundering regulations.
- Identify methods for detecting and preventing money laundering.
- Explain how suspicions of money laundering should be reported to the appropriate authorities.

LEADING AND MANAGING INDIVIDUALS AND TEAMS

Topic 1: Leadership, management and supervision

- Define leadership, management and supervision and explain the distinction between these terms.
- Explain the nature of management:
  i) Scientific/classical theories of management Fayol, Taylor
  ii) The human relations school – Mayo
  iii) The functions of a manager – Mintzberg, Drucker
- Explain the areas of managerial authority and responsibility.
- Explain the situational, functional and contingency approaches to leadership with reference to the theories of Adair, Fiedler, Bennis, Kotter and Heifetz.
- Describe leadership styles and contexts: using the models of Ashridge, and Blake and Mouton.

Fraud investigation – case study based (students are provided with information and assess fraud risks and identify potential controls)

Lecture:
Key leadership and management theories

Pair work:
Identify differences between leadership and management
Share experiences on good and bad managers – does real life experience relate to the theories?

Class Discussion:
Leadership styles and consequences
### Session 4

At the end of these topics you will be able to:

**Topic 1: Recruitment and selection of employees**
- Explain the importance of effective recruitment and selection to the organisation.
- Describe the recruitment and selection process and explain the stages in this process.
- Describe the roles of those involved in the recruitment and selection processes.
- Describe the methods through which organisations seek to meet their recruitment needs.
- Explain the advantages and disadvantages of different recruitment and selection methods.
- Explain the purposes and benefits of diversity and equal opportunities policies within the human resources plan.
- Explain the practical steps that an organisation may take to ensure the effectiveness of its diversity and equal opportunities policy.

**Topic 2: Individual and group behaviour in business organisations**
- Describe the main characteristics of individual and group behaviour.
- Outline the contributions of individuals and teams to organisational success.
- Identify individual and team approaches to work.

**Topic 3: Team formation, development and management**

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**Homework and preparation for the next session:**
- Review Course notes
- Question Practice
- Achievement ladder steps
- Quiz

Preparation for the session:
- Appropriate reading from study text
- Individual research into internet based recruitment systems

During the session:
- **Class Simulation/Discussion**
- Step by Step recruitment process

**Lecture:**
- Group and team theories

**Class Activity:**
- Assess a team in terms of Tuckman and Belbin
<table>
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<th><strong>Session 5</strong></th>
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<tbody>
<tr>
<td><strong>At the end of these topic you will be able to:</strong></td>
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<tr>
<td><strong>Topic 1: Motivating individuals and groups</strong></td>
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<tr>
<td>- Define motivation and explain its importance to the organisation, teams and individuals.</td>
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<tr>
<td>- Explain content and process theories of motivation: Maslow, Herzberg, McGregor, and Vroom.</td>
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<td>- Explain and identify types of intrinsic and extrinsic reward.</td>
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<td>- Explain how reward systems can be designed and implemented to motivate teams and individuals.</td>
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<tr>
<td><strong>Topic 2: Learning and training at work</strong></td>
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<tr>
<td>- Explain the importance of learning and development in the workplace.</td>
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<tr>
<td>- Describe the learning process: Honey and Mumford, Kolb.</td>
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<td>- Describe the role of the human resources department and individual managers in the learning process.</td>
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<td>- Describe the training and development process: identifying needs, setting objectives, programme design, delivery and validation.</td>
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</table>

**Individual Activity:**

Simulation to assess well performing and poorly performing teams

**Lecture:**

Motivation Theories

**Individual Activity:**

Assess your motivations in different aspects of work and life/compare with partner

Work/Life balance – assess motivation and hygiene factors applicable to your work experience

Feed back to class

**Lecture:**

Concepts of learning, development and training

**Group Activity:**

Assess different development opportunities and assess the benefits to individuals and organisations – are they always the same?
- Explain the terms ‘training’, ‘development’ and ‘education’ and the characteristics of each.
- List the benefits of effective training and development in the workplace.

### Session 6

**At the end of these topics you will be able to:**

**Topic 1: Review and appraisal of individual performance**
- Explain the importance of performance assessment.
- Explain how organisations assess the performance of human resources.
- Define performance appraisal and describe its purposes.
- Describe the performance appraisal process.
- Explain the benefits of effective appraisal.
- Identify the barriers to effective appraisal and how these may be overcome.

**PERSONAL EFFECTIVENESS AND COMMUNICATION IN BUSINESS**

**Topic 2: Personal effectiveness techniques**
- Explain the importance of effective time management.
- Describe the barriers to effective time management and how they may be overcome.
- Describe the role of information technology in improving personal effectiveness.

**Topic 3: Consequences of ineffectiveness at work**
- Identify the main ways in which people and teams can be ineffective at work.
- Explain how individual or team ineffectiveness can affect organisational performance.

**Topic 4: Competence frameworks and personal development**

**Lecture:**
Appraisal and performance management

**Class Activity:**
Discuss different ways of engaging with your boss and gaining feedback.

**Class Simulation:**
In tray exercise and prioritisation
Communication skills – written exercise
- Describe the features of a ‘competence framework’.
- Explain how a competence framework underpins professional development needs.
- Explain how personal and continuous professional development can increase personal effectiveness at work.
- Explain the purpose and benefits of coaching, mentoring and counselling in promoting employee effectiveness
- Describe how a personal development plan should be formulated, implemented, monitored and reviewed by the individual.

Topic 5: Sources of conflict and techniques for conflict resolution and referral
- Identify situations where conflict at work can arise.
- Describe how conflict can affect personal and organisational performance.
- Identify ways in which conflict can be managed.

Topic 6: Communicating in business
- Describe methods of communication used in the organisation and how they are used.
- Explain how the type of information differs and the purposes for which it is applied at different levels of the organisation: strategic, tactical and operational.
- List the attributes of good quality information.
- Explain a simple communication model: sender, message, receiver, feedback, noise.
- Explain formal and informal communication and their significance in the workplace.
- Identify the consequences of ineffective communication.

Evaluate personal development plans for different levels within a business, for example senior manager v junior assistant

Lecture:
Conflict and resolution

Individual Activity:
Assess a conflict situation and identify strategies for overcoming – feedback to class

Class Discussion
Identify and assess different aspects of communication (formality, channels significance and consequences)
• Describe the attributes of effective communication.
• Describe the barriers to effective communication and identify practical steps that may be taken to overcome them.
• Identify the main patterns of communication.

PROFESSIONAL ETHICS IN ACCOUNTING AND BUSINESS

Topic 7: Fundamental principles of ethical behaviour
• Define business ethics and explain the importance of ethics to the organisation and to the individual.
• Describe and demonstrate the following principles from the IFAC (IESBA) code of ethics, using examples.
  (i) Integrity
  (ii) Objectivity
  (iii) Professional competence
  (iv) Confidentiality
  (v) Professional behaviour
• Describe organisational values which promote ethical behaviour using examples.
  (i) Openness
  (ii) Trust
  (iii) Honesty
  (iv) Respect
  (v) Empowerment
  (vi) Accountability
• Explain the concept of acting in the public interest.

Topic 8: The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession
• Recognise the purpose of international and organisational codes of ethics and codes of conduct, IFAC (IESBA), ACCA etc.
• Describe how professional bodies and regulators promote ethical awareness and prevent or

Lecture:
Professional Ethics (General and Accounting)

Group work:
Solve an ethical dilemma – assess using the frameworks and identify potential responses – feedback to class

Pair work –
punish illegal or unethical behaviour.
- Identify the factors that distinguish a profession from other types of occupation.
- Explain the role of the accountant in promoting ethical behaviour.
- Recognise when and to whom illegal, or unethical conduct by anyone within or connected to the organisation should be reported.

**Topic 9: Corporate codes of ethics**
- Define corporate codes of ethics.
- Describe the typical contents of a corporate code of ethics.
- Explain the benefits of a corporate code of ethics to the organisation and its employees.

**Topic 10: Ethical conflicts and dilemmas**
- Describe situations where ethical conflicts can arise.
- Identify the main threats to ethical behaviour.
- Outline situations at work where ethical dilemmas may be faced.
- List the main safeguards against ethical threats and dilemmas.
- List the main safeguards against ethical threats and dilemmas.

<table>
<thead>
<tr>
<th>Session 7</th>
<th>REVISION AND CONSOLIDATION AND FORMATIVE ASSESSMENT DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSESSMENT</td>
<td>2 Hour unseen assessment</td>
</tr>
<tr>
<td></td>
<td>A day of revision topics and formative assessment steps in preparation for the summative assessment</td>
</tr>
<tr>
<td></td>
<td>Completion of Mock Assessment</td>
</tr>
<tr>
<td></td>
<td>In this session you will also complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas</td>
</tr>
</tbody>
</table>
MANAGEMENT ACCOUNTING

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td>4</td>
</tr>
<tr>
<td>Credit Value</td>
<td>30 Credits</td>
</tr>
<tr>
<td>Contact Hours</td>
<td>66 Hours</td>
</tr>
<tr>
<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Nidhi Gogia</td>
</tr>
</tbody>
</table>

**Related Modules**

- Pre-requisites: None
- Co-requisites: None
- Post-requisites: None
- Excluded Combinations: None

**External Accrediting Body**: ACCA

**Introduction**

Management accountants provide information to business managers to enable them plan, control and monitor performance. This module introduces the fundamental principles of management accounting in a variety of business contexts. The concepts introduced at this paper will be built upon in the later module ‘performance management’

The syllabus for this module introduces you to elements of management accounting, which are used to make and support decisions.

The module starts by introducing the nature, the source and purpose of cost accounting and the costing techniques used in business which are essential for any management accountant.

The module then looks at the preparation and use of budgeting and standard costing and variance analysis as essential tools for planning and controlling business costs. The module concludes with an introduction to measuring and monitoring the performance of an organisation.
Educational Aims

This module aims to enable students to be able to:

- Explain the nature, source and purpose of management information
- Explain and apply cost accounting techniques
- Prepare budgets for planning and control
- Compare actual costs with standard costs and analyse any variances
- Explain and apply performance measurements and monitor business performance.

Learning Outcomes

After completing this module, you will be able to:

- Use relevant management accounting techniques with cost information, for planning, decision-making, performance evaluation and control, within different business settings
- Select and apply appropriate financial management techniques to organisational business planning, decision-making and control
- Understand the performance and financial management techniques used in organisational business planning
- Understand the ethical responsibilities of professional accountants and reflect on ethical dilemmas and potential solutions
- Solve problems through the identification of key issues and the evaluation of a range of simple options

The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th>Knowledge and understanding</th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive (thinking) skills</td>
<td>✗</td>
<td>✗</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional skills and attitudes</td>
<td>✗</td>
<td></td>
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<tr>
<td>Transferable skills</td>
<td></td>
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</tbody>
</table>

Mode of Assessment

This module is assessed through the completion of
One, two hour unseen examination.

In addition to the summative element, the module contains the following formative elements:

**Formative Elements**

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

**Summative Element**

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, two hour unseen assessment

The assessments are marked according to the Level 4 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

**Indicative Reading**

**Core texts**
- BPP ACCA Paper F2 Management Accounting Study Text
- BPP ACCA Paper F2 Management Accounting Practice and Revision Kit
- BPP ACCA Paper F2 Management Accounting Course Notes

**Books and texts for reference**
These texts would be used for reference and for students interested in background reading to further their studies, as directed by their lecturer.

Academic and Professional Articles

Students will be strongly encouraged to use journal articles relevant to their areas of research. These may include articles extracted from the following sources, which are not exhaustive:

Accountancy
Accounting, Organisations and Society
Contemporary Cost Accounting and Control
Financial Management
Harvard Business review
Journal of Accounting Research
Journal of Business Finance and Accounting
Journal of Cost Management
Journal of Management Accounting Research
Management Accounting
Management Accounting Research
Managerial Auditing Journal
The Accounting Review
The International Journal of Accounting

Online Resources

Professional accounting bodies:
ICAEW – www.icaew.com
ACCA – www.accaglobal.com
CIMA – www.cimaglobal.com

http://www.local.gov.uk/
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: Management Accounting

Syllabus:

The nature, source and purpose of management information:
- Accounting for management
- Sources of data
- Cost classification
- Presenting information

Cost accounting techniques:
- Accounting for material, labour and overheads
- Absorption and marginal costing
- Cost accounting methods
- Alternative cost accounting principles

Budgeting
- Nature and purpose of budgeting
- Statistical techniques
- Budget preparation
- Flexible budgets
- Capital budgeting and discounted cash flow
- Budgetary control and reporting
- Behavioural aspects of budgeting

Standard costing
- Standard costing system
- Variance calculations and analysis
- Reconciliation of budgeted and actual profit

Performance measurement
- Performance measurement - overview
- Performance measurement - application
- Cost reductions and value enhancement
- Monitoring performance and reporting
## Topic | Content | Learning and Teaching Strategy
--- | --- | ---
**INDUCTION** | Before the course you will need to Familiarise yourself with the basic elements of management accounting. | Preparation for Session 1:  
**Key Reading:** Read Chapter 1 of the BPP ACCA F2 study text to gather background information management information.

## Session 1

### THE NATURE, SOURCE AND PURPOSE OF MANAGEMENT INFORMATION

At the end of this session you will be able to:

**Topic 1: Accounting for management**
- Describe the purpose and role of cost and management accounting within an organisation.
- Compare and contrast financial accounting with cost and management accounting.
- Outline the managerial processes of planning, decision making and control.
- Explain the difference between strategic, tactical and operational planning.
- Distinguish between data and information.
- Identify and explain the attributes of good information.
- Explain the limitations of management information in providing guidance for managerial decision-making.

**Topic 2: Sources of data**
- Describe sources of information from within and outside the organisation (including government statistics, financial press, professional or trade associations, quotations and price list.
- Explain the uses and limitations of published information/data (including information from the internet).

**Topic 1: Tutor Led Presentation:**
Explaining the purpose of a management accountant, and the role within the organisation.

**Test understanding by use of a class-based individual learning activity:**

**Seminar Activity**
Tutor resource information, evaluate whether considered to be good information.

**Topic 2: Lecture on the sources of data**
Identifying different sources available to an organisation.

**Seminar activity**
Describe what information would be required within the scenarios provided and where it would be obtained.
Research the suitability of this information.
<table>
<thead>
<tr>
<th>Topic 3: Cost classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain and illustrate production and non-production costs.</td>
</tr>
<tr>
<td>Describe the different elements of non-production costs: administrative, selling, distribution and finance.</td>
</tr>
<tr>
<td>Describe the different elements of production cost: materials, labour and overheads.</td>
</tr>
<tr>
<td>Explain the importance of the distinction between production and non-production costs when valuing output and inventories.</td>
</tr>
<tr>
<td>Explain and illustrate with examples classifications used in the analysis of the product/service costs including by function, direct and indirect.</td>
</tr>
<tr>
<td>Explain fixed and variable, stepped fixed and semi-variable costs.</td>
</tr>
<tr>
<td>Explain and illustrate the use of codes in categorising transactions.</td>
</tr>
<tr>
<td>Describe and illustrate, graphically, different types of cost behaviour.</td>
</tr>
<tr>
<td>Use high/low analysis to separate the fixed and variable elements of total costs including situations involving semi-variable and stepped fixed costs and changes in the variable cost per unit.</td>
</tr>
</tbody>
</table>

**Formative assessment**
Matching scenarios with sampling techniques, with supporting justification.

**Topic 3 Lecture presentation – categorising costs**
Explanation and real world examples to illustrate the different types of costs incurred within an organisation

**Formative assessment**
Multiple choice questions to reinforce terminology.

**Seminar activity**
Group tasks to identify and group the costs of specific products, examples given by tutor. Group presentation to class explaining the purpose of the classification used.

**Seminar Activity**
Research different methods of coding used within organisations.

**Lecture Presentation – cost behaviour**
Detailed explanation of the way costs are influenced by levels of production

**Formative assessment**
Multiple choice questions to reinforce terminology

**Lecture Presentation – cost behaviour**
Illustration of the stages in the high/low calculation
• Explain the structure of linear functions and equations.
• Explain and illustrate the concept of cost objects, cost units and cost centres.
• Distinguish between cost, profit, investment and revenue centres.
• Describe the differing needs for information of cost, profit, investment and revenue centre managers.

**Topic 4: Presenting information**

- Prepare written reports representing management information in suitable formats according to purpose.
- Present information using tables, charts and graphs (bar charts, line graphs, pie charts and scatter graphs).
- Interpret information (including the above tables, charts and graphs) presented in management reports.

**Formative assessment**
Tutor lead practice examples.

**Lecture presentation**
Explaination of key terms followed by multiple choice questions to reinforce the terminology.

**Topic 4 – Presenting Information**

**Seminar Activity**
Individual task – selecting an example used throughout the session, present the information contained in a format suitable to communicate appropriately.
Incorporate 2 graphical methods.
Role play as manager and senior in explaining the information contained.

**Homework**
Review all notes and work from Session 1.
Prepare a ‘key terms’ summary.

Attempt additional multiple choice question tests on Session 1 topics and review to assess topics are understood.

Read chapter 2 from the ACCA F2 study text regarding information gathering.

**Preparation for the next session:**
Read Chapter 6 of the text to prepare for Session 2
At the end of this session you will be able to:

**Topic 1: Accounting for material, labour and overheads**

- **Accounting for materials**
  1. Describe the different procedures and documents necessary for the ordering, receiving and issuing of materials from inventory.
  2. Describe the control procedures used to monitor physical and 'book' inventory and to minimise discrepancies and losses.
  3. Interpret the entries and balances in the material inventory account.
  4. Identify, explain and calculate the costs of ordering and holding inventory (including buffer inventory).
  5. Calculate and interpret optimal reorder quantities.
  6. Calculate and interpret optimal reorder quantities when discounts apply.
  7. Produce calculations to minimise inventory costs when inventory is gradually replenished.

**Seminar activity:**
Quiz on material form session 1

**Accounting for materials**

**Topic 1. Lecture presentation:**
Overview of the main process involved in purchasing

**Seminar activity:**
Role play assuming different departments within an organisation and thinking about the required documentation and the purpose for it.

**Tutor lead Activity**
Create a mind map considering the reason and types of controls required when stock is held.

**Lecture Presentation**
Description and 'T' account of the material inventory account, showing the double entry required.

**Lecture presentation**
Detailed description of the costs of maintaining an inventory balance and the mathematical approach to identifying the optimal level.

**Formative Assessment**
Multiple choice questions to practise calculations.

**Lecture presentation**
Illustration of application of discounts when identifying optimal order sizes.

**Formative Assessment**
Numerical task applying the pre and post discount calculations to a given scenario.
(viii) Describe and apply appropriate methods for establishing reorder levels where demand in the lead time is constant.

(ix) Calculate the value of closing inventory and material issues using LIFO, FIFO and average methods.

### Accounting for labour

- **(i)** Calculate direct and indirect costs of labour.
- **(ii)** Explain the methods used to relate input labour costs to work done.
- **(iii)** Prepare the journal and ledger entries to record labour cost inputs and outputs.
- **(iv)** Describe different remuneration methods: time-based systems, piecework systems and individual and group incentive schemes.
- **(v)** Calculate the level, and analyse the costs and causes of labour turnover.
- **(vi)** Explain and calculate labour efficiency, capacity and production volume ratios.
- **(vii)** Interpret the entries in the labour account.

<table>
<thead>
<tr>
<th>Worked example via homework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tutor lead Activity</strong></td>
</tr>
<tr>
<td>Walk through the calculations with a tutor example to highlight the values required.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Formative assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attempt multiple choice questions to practise the formulae</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accounting for labour</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tutor lead Activity</strong></td>
</tr>
<tr>
<td>Class discussion into the different methods of remuneration actually received from employment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lecture Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recap on cost behaviour from session 1 and focus specifically on labour costs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seminar activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group task - Using the scenario provided group the employees into appropriate categories.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tutor lead presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illustration of calculations, followed by brainstorming activity relating to why staff leave their employment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Formative Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple choice questions to practise calculations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homework</th>
</tr>
</thead>
</table>
**Session 3**

At the end of this session you will be able to

**Topic 1: Accounting for overheads**

(i) Explain the different treatment of direct and indirect expenses.
(ii) Describe the procedures involved in determining production overhead absorption rates.
(iii) Allocate and apportion production overheads to cost centres using an appropriate basis.
(iv) Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other)
(v) Select, apply and discuss appropriate bases for absorption rates.
(vi) Prepare journal and ledger entries for manufacturing overheads incurred and absorbed.
(vii) Calculate and explain the under and over absorption of overheads.

**Recap quiz on session 2 calculations**

**Topic 1: Overheads**

**Lecture presentation**

Introduction to issues surrounding overheads.

**Lecture Presentation**

Attempt each of the 3 stages of the absorption costing process individually.

**Formative Assessment**

After each stage of the process, multiple choice questions to be attempted.

**Formative Assessment**

A series of tasks allowing for the entire process to be followed to identify an overhead cost per unit.

**Lecture Presentation**

Illustrative explanation of the overhead account followed by the process of calculating and under/over.
### Topic 2: Absorption and marginal costing

- Explain the importance of, and apply, the concept of contribution.
- Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination.
- Calculate profit or loss under absorption and marginal costing.
- Reconcile the profits or losses calculated under absorption and marginal costing.
- Describe the advantages and disadvantages of absorption and marginal costing.

### Formative Assessment

- Multiple choice questions to calculate an under/over.

### Topic 2 – Marginal costing

- Lecture Presentation
  - Explanation of key terminology and process to calculate.

- Formative Assessment
  - Complete multiple choice questions to practise contribution calculation.

- Tutor lead activities
  - Initial walk through of profit and loss account under absorption and marginal costing principles. Highlighting the key differences between the two and then performing a reconciliation of profit.

- Seminar Activity
  - Using tasks provided calculate and reconcile the profits under the techniques.

- Formative Assessment
  - Complete multiple choice questions.

- Formative assessment: Complete a mock examination covering all aspects of the course so far.

### Homework

- Through review of absorption and marginal costing.
  - Review summary in chapter 9 of the ACCA F2 study text for a useful summary of the techniques.
  - Complete all additional questions.
  - Prepare template profit and loss accounts and reconciliation statements for use throughout revision.

### Preparation for next session
### Session 4

**At the end of this session you will be able to:**

**Topic 1: Process costing**

(i) Describe the characteristics of process costing.

(ii) Describe the situations where the use of process costing would be appropriate.

(iii) Explain the concepts of normal and abnormal losses and abnormal gains.

(iv) Calculate the cost per unit of process outputs.

(v) Prepare process accounts involving normal and abnormal losses and abnormal gains.

(vi) Calculate and explain the concept of equivalent units.

(vii) Apportion process costs between work remaining in process and transfers out of a process using the weighted average and FIFO methods.

(viii) Prepare process accounts in situations where work remains incomplete.

(ix) Prepare process accounts where losses and gains are identified at different stages of the process.

(x) Distinguish between by-products and joint products.

**Briefly review terminology from chapter 11 in the study material.**

**Use the online environment for any supplementary work required from session 3.**

**Topic 1 Lecture Presentation**

Background into the rationale behind process costing

Class brainstorming activity into real world organisations which would use process costing due to the nature of their business activities.

**Lecture presentation**

Each stage of process costing to be explained and illustrated, followed by a full tutor lead example of the entire calculation.

**Seminar activities**

Group task – work through full numerical examples to attempt every stage of the calculation

**Formative assessment**

Multiple choice questions to identify the required element within the calculation

**Lecture Presentation – WIP and EU**

Thorough guide to the concept and process of incorporating partially completed items into the process costing calculation.

**Seminar activities**

Group task – work through full numerical examples to attempt every stage of the calculation

**Formative assessment**

Multiple choice questions to identify the required element within the calculation

**Lecture Presentation – Joint and By products**
### Session 5

At the end of this session you will be able to;

**Topic 1: Job and batch costing**

(i) Describe the characteristics of job and batch costing.

(ii) Describe the situations where the use of job or batch costing would be appropriate.

(iii) Prepare cost records and accounts in job and batch costing situations.

(iv) Establish job and batch costs from given information.

**Topic 2: Service/operation costing**

(i) Identify situations where the use of service/operation costing is appropriate.

(ii) Illustrate suitable unit cost measures that may be used in different service/operation situations.

**Formative assessment**

Multiple choice questions to reinforce the principle behind each method.

**Seminar Activity**

Group task – using the examples provided, suggest suitable cost units.

---

(xi) Value by-products and joint products at the point of separation.

(xii) Prepare process accounts in situations where by-products and/or joint products occur.

Explanation of the terminology followed by a class brainstorming activity into real world examples.

Worked example of the additional components into the process costing calculation.

**Formative assessment**

Multiple choice questions to value joint and by products.

**Seminar Activity**

Group task to complete a summary quiz of all aspects of process costing.

**Homework**

Prepare revision summaries of the process ‘T’ account, and key steps of the calculations.

Attempt further multiple choice and full questions.

**Preparation for next session**

Background reading: Chapter 10 of study text.
### Advanced Diploma in Accounting and Finance [ACCA]

#### Management Accounting

<table>
<thead>
<tr>
<th>Topic 3 - Alternative cost accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain activity based costing (ABC), target costing, life cycle costing and total quality management (TQM) as alternative cost management techniques.</td>
</tr>
<tr>
<td>Differentiate ABC, Target costing and life cycle costing from the traditional costing techniques (note: calculations are not required)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 4 - Nature and purpose of budgeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain why organisations use budgeting.</td>
</tr>
<tr>
<td>Describe the planning and control cycle in an organisation.</td>
</tr>
<tr>
<td>Explain the administrative procedures used in the budgeting process.</td>
</tr>
<tr>
<td>Describe the stages in the budgeting process (including sources of relevant data, planning and agreeing draft budgets and purpose of forecasts and how they link to budgeting).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 5 - Budget preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain the importance of principal budget factor in constructing the budget.</td>
</tr>
<tr>
<td>Prepare sales budgets</td>
</tr>
<tr>
<td>Prepare functional budgets (production, raw materials usage and purchases, labour, variable and fixed overheads).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 3 – Modern environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lecture Presentation</strong></td>
</tr>
<tr>
<td>Basic overview of the modern techniques which can be applied by an organisation, including illustrative numerical examples to aid understanding.</td>
</tr>
</tbody>
</table>

**Seminar Activity**

Group task - Research an organisation which has successfully adopted a TQM philosophy. Present findings to the class.

**Formative Assessment**

Discussion based multiple choice questions to complete as a group task.

<table>
<thead>
<tr>
<th>Topic 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lecture Presentation</strong></td>
</tr>
<tr>
<td>Basic overview of the rational and uses of budgets.</td>
</tr>
<tr>
<td>Detailed covered within homework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 5 – Budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lecture Presentation</strong></td>
</tr>
<tr>
<td>Walk through of the process of constructing a functional budget.</td>
</tr>
</tbody>
</table>

**Formative Assessment**

Group task – using the example provided prepare the appropriate functional budgets. Each group to present one part of the process to the class so to construct the full budget.

**Formative Assessment**

Detailed example to be completed individually.
### Advanced Diploma in Accounting and Finance [ACCA]

#### Management Accounting

<table>
<thead>
<tr>
<th>Session 6</th>
<th>Lecture Presentation</th>
<th>Formative Assessment</th>
<th>Homework</th>
<th>Preparation for next session</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prepare cash budgets</td>
<td>Explaination of the content and structure of a cash budget.</td>
<td>Multiple choice questions to identify key values to be included within a cash budget.</td>
<td>Prepare revision summaries of the Operating budget workings. Review chapter 13 for further detail on modern environment issues, included worked numerical examples. Read Chapter 16 in the study text sections 1 and 2 for the background into the preparation of budgets. Read chapter 16 section 5 regarding master budgets. Attempt further multiple choice and full questions. Read and make revision notes from chapter 15 of the study text.</td>
</tr>
<tr>
<td></td>
<td>Prepare master budgets (statement of profit or loss and statement of financial position)</td>
<td></td>
<td>Covered by homework</td>
<td>Research into types of budgets applied in different industries. Review chapter 18 regarding capital expenditure budgets.</td>
</tr>
<tr>
<td></td>
<td>Explain and illustrate ‘what if’ analysis and scenario planning</td>
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</tbody>
</table>

### Session 6

At the end of this session you will be able to:

**Topic 1: Flexible budgets**

a) Explain the importance of flexible budgets in control  

b) Explain the disadvantages of fixed budgets in control

**Recap quiz from session 5.**

**Topic 1 - Lecture Presentation**

Explanation of terminology including recap from session 1 cost behaviour

Tutor lead task – construct a fixed, flexed and flexible budget using a given example.
<table>
<thead>
<tr>
<th>Topic 2: Capital budgeting and discounted cash flows</th>
<th>Formative Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Discuss the importance of capital investment planning and control</td>
<td>Using a further example, construct the appropriate budgets in groups. Present the calculations to the class, with a brief discussion into the meaning of the values calculated.</td>
</tr>
<tr>
<td>b) Define and distinguish between capital and revenue expenditure</td>
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<tr>
<td>c) Outline the issues to consider and the steps involved in the preparation of a capital expenditure budget</td>
<td></td>
</tr>
<tr>
<td>d) Explain and illustrate the difference between simple and compound interest, and between nominal and effective interest rates</td>
<td></td>
</tr>
<tr>
<td>e) Explain and illustrate compounding and discounting</td>
<td></td>
</tr>
<tr>
<td>f) Calculate present value using annuity and perpetuity formulae[s]</td>
<td></td>
</tr>
<tr>
<td>g) Explain the distinction between cash flow and profit and the relevance of cash flow to capital</td>
<td></td>
</tr>
<tr>
<td>h) Identify and evaluate relevant cash flows for individual investment decisions.</td>
<td></td>
</tr>
</tbody>
</table>

**Topic 2**

- **Lecture Presentation - Capital expenditure**
  - Definition of capital expenditure and purpose of a CAPEX budget.

- **Seminar Activity**
  - Group task – categorise a tutor provide list of expenditure between capital and revenue.

- **Lecture Presentation – Interest rates**
  - Detailed breakdown of how interest can be calculated, supported by example calculations.

- **Lecture Presentation – time value of money**
  - Careful explanation of the principles.

- **Formative Assessment**
  - Group Task – attempt technical calculations, tutor review.

- **Individual task**
  - Further calculations to practise technique.

- **Lecture Presentation**
  - Distinction between the terms cash and profit in decision making. Definition and illustrations into relevant cash flows.

- **Seminar Activity**
  - Group task to identify relevant cash flows.

- **Lecture Presentation – Project Appraisal**
  - Detailed discussion and illustrations of the techniques.
  - Walk through example of each.
### Session 7

At the end of this session you will be able to:

**Topic 1: Statistical techniques**

- **a)** Explain the advantages and disadvantages of using high low method to estimate the fixed and variable element of costing.
- **b)** Construct scatter diagrams and lines of best fit.
- **c)** Analysis of cost data.
- **d)** Establish a linear function using regression analysis and interpret the results.
- **e)** Use linear regression coefficients to make forecasts of costs and revenues.

**Recap quiz from session 6**

**Topic 1:**

**Lecture Presentation:**

Revision from session 1 cost behaviour, illustrate the key methods of analysing past data.

**Seminar Activity**

Practise spreadsheet capabilities by inputting information provided into a spreadsheet and constructing a line graph.

**Lecture Presentation – Regression**

Detailed explanation of the technique and calculations, including correlation coefficient.

Walkthrough example with tutor.

---

**Reading Week**

Use your time in reading week to consolidate the work done so far in the term. You should attempt questions recommended by your lecturer and note any areas of difficulty for review with your lecturer after reading week.

---

**Formative Assessment**

Group task – using the example provided apply all techniques and generate a decision.

**Formative Assessment**

Detailed example to be completed individually.

**Homework**

Read chapter 17 in the study text regarding motivational issues when setting budgets.

Produce quick reference revision aids regarding project appraisal techniques.

Review chapter 19 for further examples of project appraisal.

Attempt further multiple choice and full questions.

**Preparation for next session**

Full understanding on material covered in session 6.
f) Explain the concept of correlation coefficient and coefficient of determination.
g) Calculate and interpret correlation coefficient and coefficient of determination.
h) Explain the advantages and disadvantages of linear regression analysis.
i) Adjust historical and forecast data for price movements.
j) Describe the product life cycle and explain its importance in forecasting.
k) Explain the principles of time series analysis (cyclical, trend, seasonal variation and random elements)
l) Calculate moving averages.
m) Calculation of trend, including the use of regression coefficients.
n) Use trend and seasonal variation (additive and multiplicative) to make budget forecasts.
o) Explain the advantages and disadvantages of time series analysis
p) Explain the purpose of index numbers
q) Calculate simple index numbers for one or more variables.
r) Explain the role and features of a computer spreadsheet system.
s) Identify applications for computer spreadsheets and their

t) Formative Assessment
Group attempt at multiple choice questions.

u) Formative Assessment
Individual attempt of further multiple choice questions.

v) Tutor led discussion
Brainstorming activity regarding the advantages and limitations of the regression technique.

w) Seen in session 5 — review for home study.

x) Lecture Presentation — Time series
Detailed explanation of the technique and calculations.
Walkthrough example with tutor to calculate the trend.

y) Formative Assessment
Group task — breakdown an example into the key components and use to make future predictions. Discuss the limitations of the technique applied.
Present to the class.

z) Lecture Presentation — Index numbers
Description of terms and illustration of the calculations.

aa) Formative Assessment
Multiple choice questions completed individually.

bb) Seminar activity
Research, in groups, some key index numbers used within the economy, present a detailed evaluation to the class.
### Session 8

**At the end of this session you will be able to:**

**Topic 1: Standard costing systems**
- Explain the purpose and principles of standard costing.
- Explain and illustrate the difference between standard, marginal and absorption costing.
- Establish the standard cost per unit under absorption and marginal costing.

**Topic 2: Variance calculations and analysis**
- Calculate sales price and volume variance.
- Calculate materials total, price and usage variance.
- Calculate labour total, rate and efficiency variance.
- Calculate variable overhead total, expenditure and efficiency variance.
- Calculate fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency variance.

**Homework**
- Read chapter 14 of the study manual for background knowledge and further examples of techniques.
- Prepare key revision summaries.
- Attempt all further assessment questions relating to session 7.

**Preparation for next session**
- Review chapter 15 on budget preparation as this is then applied within standard costing.
- Review absorption and marginal costing from session 3.

**Recap quiz in groups from session 7**

**Recap from session 3 costing, construct a cost card under each technique.**

**Topic 2 – variance analysis**

**Lecture Presentation – Variances**
- Thorough guide to the principle and calculations.

**Seminar activities**
- Group task – work through full numerical examples to attempt every calculation.

**Formative assessment**
- Multiple choice questions develop familiarity.
### Session 9

**At the end of this session you will be able to**

**Topic 1: Performance measurement overview**

**Recap quiz session 8**

**Topic 1 – Lecture Presentation**

Overview of mission and objections to reinforce session 8 homework.

---

**Topic 3: Reconciliation of budgeted and actual profit**

- Reconcile budgeted profit with actual profit under standard absorption costing.
- Reconcile budgeted profit or contribution with actual profit or contribution under standard marginal costing.

**Tutor led discussion**

Analysis of causes of variances, including interrelationships.

**Seminar activities**

Group task – work through full numerical example, performing calculation and analysis. Report to the class significant variances, and explain the rationale behind their significance.

**Lecture Presentation**

Illustration of backwards variances

**Formative assessment**

Multiple choice questions develop familiarity

**Tutor led example**

Using prior example to reconcile the techniques.

**Seminar activities**

Group task – reconcile further examples

**Homework**

Prepare a quick reference guide with all variance workings

Complete further assessments to build confidence with workings.

Use chapter 22 for further examples and practise

**Preparation for next session**

Read chapter 23 sections 1 and 2 to set the scene for session 9
### Session 10

At the end of this session you will be able to:

**Topic 1: Performance measurement - application**
- Discuss and calculate measures of financial performance (profitability, liquidity, activity and gearing) and non-financial measures

**Topic 1 Financial performance measures**
- Lecture presentation
- Technical review of the calculations involved.

**Formative Assessment**
- Multiple choice questions

**Seminar Activity**

---

<table>
<thead>
<tr>
<th>Topic 2: Formative assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class brainstorming activity regarding external influences on company performance.</td>
</tr>
</tbody>
</table>

**Formative assessment:**
- Formative assessment: Timed multiple choice assessment tests to test integration of topics.

**Homework**
- Read chapter 23 section 8 from the ACCA F2 study text
- Review any weaknesses identified within the formative assessment

**Preparation for next session**
- Obtain financial information for 2 competitor companies and consider which aspects would be important for comparison
- Perspectives of the balanced scorecard
  (i) discuss the advantages and limitations of the balanced scorecard
  (ii) describe performance indicators for financial success, customer satisfaction, process efficiency and growth
  (iii) discuss critical success factors and key performance indicators and their link to objectives and mission statements
  (iv) establish critical success factors and key performance indicators in a specific situation

- Economy, efficiency and effectiveness
  (i) explain the concepts of economy, efficiency and effectiveness
  (ii) describe performance indicators for economy, efficiency and effectiveness
  (iii) establish performance indicators for economy, efficiency and effectiveness in a specific situation
  (iv) discuss the meaning of each of the efficiency, capacity and activity ratios
  (v) calculate the efficiency, capacity and activity ratios in a specific situation

- Unit costs
  (i) describe performance measures which would be suitable in contract and process costing environments

- Resource utilisation
  (i) describe measures of performance utilisation in service and manufacturing environments
  (ii) establish measures of resource utilisation in a specific situation

- Profitability
  (i) calculate return on investment and residual income
  (ii) explain the advantages and limitations of return on investment and residual income

Case study accounts, group task to assess financial performance and present findings to group.

Lecture Presentation
Explanation and illustration of the BSC approach

Formative Assessment
Group task to apply the BSC to a given example.

Covered in session 9 and homework

Lecture Presentation
Use of the 3 E’s within performance evaluation.

Formative Assessment
Group task to apply to a given example.

Lecture Presentation
Review key calculations

Formative assessment
Multiple choice questions develop familiarity

Formative assessment
Group task to match suitable evaluation methods with organisations, including service industries
g) Quality of service
   (i) distinguish performance measurement issues in service and manufacturing industries
   (ii) describe performance measures appropriate for service industries

**Topic 2: Cost reductions and value enhancement**
- Compare cost control and cost reduction
- Describe and evaluate cost reduction methods
- Describe and evaluate value analysis

**Topic 3: Monitoring performance and reporting**
- Discuss the importance of non-financial performance measures
- Discuss the relationship between short-term and long-term performance
- Discuss the measurement of performance in service industry situations
- Discuss the measurement of performance in non-profit seeking and public sector organisations
- Discuss measures that may be used to assess managerial performance and the practical problems involved
- Discuss the role of benchmarking in performance measurement
- Produce reports highlighting key areas for management attention and recommendations for improvement

**Lecture presentation**
Recap of divisional terminology and explanation of techniques to assess divisional performance

**Formative assessment**
Multiple choice questions

**Lecture presentation - topic 2**
Brief overview required only

**Formative assessment**
Multiple choice questions

**Lecture presentation - topic 3**
Brief overview required only, further detail covered through homework.

**Formative assessment**
Multiple choice questions

**Lecture presentation**
Brief overview of the benchmarking process

**Seminar activity**
**Advanced Diploma in Accounting and Finance [ACCA]**

**Management Accounting**

<table>
<thead>
<tr>
<th>REVISION</th>
<th>REVISION AND CONSOLIDATION DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Based upon an example suggest suitable areas to benchmark. Justify and present to the class.</td>
</tr>
<tr>
<td></td>
<td>Seminar activity</td>
</tr>
<tr>
<td></td>
<td>Research successful organisations where benchmarking has been adopted.</td>
</tr>
<tr>
<td></td>
<td><strong>Homework</strong></td>
</tr>
<tr>
<td></td>
<td>Read and make revision notes from chapter 24.</td>
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<td></td>
<td>Summarise all calculations for revision purposes.</td>
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<td></td>
<td>Complete all practise assessments.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVISION</th>
<th>FORMATIVE ASSESSMENT DAY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A day of revision topics and formative assessment steps in preparation for the summative assessment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ASSESSMENT</th>
<th>2 Hour Unseen Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Completion of Mock Assessment</td>
</tr>
<tr>
<td></td>
<td>In this session you will also complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas</td>
</tr>
</tbody>
</table>
FINANCIAL ACCOUNTING

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td>4</td>
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<tr>
<td>Credit Value</td>
<td>30 Credits</td>
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<tr>
<td>Contact Hours</td>
<td>72 Hours</td>
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<tr>
<td>Programme</td>
<td>Advanced Diploma Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Kaego Uba-Machie</td>
</tr>
</tbody>
</table>

Related Modules

<table>
<thead>
<tr>
<th></th>
<th>Pre-requisites</th>
<th>Co-requisites</th>
<th>Post-requisites</th>
<th>Excluded Combinations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
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<td>None</td>
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</table>

External Accrediting Body | ACCA

Introduction

A solid understanding in the fundamentals of accounting is vital to the success of any career you might choose to pursue in business. The aim of this module is to provide you with an understanding of the fundamentals of accounting and finance, by introducing you to the core principles of financial accounting. The module will develop your technical competence in the preparation of financial statements, interpretation of financial statements and control techniques used in financial accounting.

The Financial Accounting module introduces the student to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information.

The module then considers the drafting of financial statements and the principles of accounts preparation and then concentrates, in depth, on recording, processing, and reporting business transactions and events.

You are then introduced to the use of the trial balance and how to identify and correct errors.

The preparation of financial statements for both incorporated and unincorporated entities is a core component of the module, as preparation for later studies in financial reporting.

The module also includes an introduction to basic interpretation of financial statements and requires the preparation of simple consolidated financial statements from the individual financial statements of group incorporated entities.
Educational Aims

This module aims to: enable students to

- Explain the context and purpose of financial reporting
- Define the qualitative characteristics of financial information
- Demonstrate the use of double-entry and accounting systems
- Record transactions and events
- Prepare a trial balance (including identifying and correcting errors)
- Prepare basic financial statements for incorporated and unincorporated entities.
- Prepare simple consolidated financial statements
- Carry out basic interpretation of financial statements

Learning Outcomes

After completing this module, you will be able to:

- Understand accounting concepts and principles and their application in solutions to practical accounting problems.
- Prepare non-complex financial statements using generally accepted accounting principles and with reference to International Financial Reporting Standards, as appropriate.
- Analyse and interpret financial statements
- Understand the ethical responsibilities of professional accountants and reflect on ethical dilemmas and potential solutions
- Solve problems through the identification of key issues, and the evaluation of a range of simple options

The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th></th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge and understanding</td>
<td>√</td>
<td></td>
<td></td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td>Cognitive (thinking) skills</td>
<td>√</td>
<td>√</td>
<td>√</td>
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<tr>
<td>Professional skills and attitudes</td>
<td>√</td>
<td>√</td>
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<tr>
<td>Transferable skills</td>
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</table>
Mode of Assessment

This module is assessed through the completion of

One, two hour unseen examination.

In addition to the summative element, the module contains the following formative elements:

Formative Elements

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

Summative Element

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, two hour unseen assessment

The assessments are marked according to the Level 4 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.
Indicative Reading

Core text

BPP ACCA Paper F3 Financial accounting Text Book
BPP ACCA Paper F3 Financial Accounting Practice and Revision Kit
BPP ACCA Paper F3 Financial Accounting Course Notes

Additional Texts

These texts would be used for reference as directed by your lecturer and for students interested in background reading to further their studies


Academic and Professional Articles

Students will be strongly encouraged to use journal articles relevant to their areas of research. These may include articles extracted from the following sources, which are not exhaustive:

Smith, S., (2005), “Read between the lines”, FT.com, 16 September


There may also be articles extracted from the following sources which are not exhaustive:

Harvard Business Review
Accountancy Age Accountancy (UK)
British Accounting Review (UK)
Accounting and Business Research (UK)
Journal of Business Finance and Accounting (UK)
Journal of Accountancy (US)
Professional accounting bodies:
ICAЕW – www.icaew.com
ACCA – www.accaglobal.com
CIMA – www.cimaglobal.com
CIPFA – www.cipfa.org.uk
ICAS – www.icas.org.uk

Regulators:
IASB – www.iasb.org
FASB – www.fasb.org
ASB – www.frc.org.uk/asb/
FRC – www.frc.org.uk
SEC – www.sec.gov
IOSCO – www.iosco.org
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

**Module Title:** Financial Accounting

**Syllabus:**

**The context and purpose of financial reporting**
- The scope and purpose of financial statements for external reporting
- Users’ and stakeholders’ needs
- The main elements of financial reports
- The regulatory framework (legislation and regulation, reasons and limitations, relevance of accounting standards)
- Duties and responsibilities of those charged with governance.

**The qualitative characteristics of financial information**
- The qualitative characteristics of financial information

**The use of double-entry and accounting systems**
- Double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information
- Ledger accounts, books of prime entry, and journals

**Recording transactions and events Sales and purchases**
- Cash
- Inventory
- Tangible non-current assets
- Depreciation
- Intangible non-current assets and amortisation
- Accruals and prepayments
- Receivables and payables
- Provisions and contingencies
- Capital structure and finance costs

**Preparing a trial balance Trial balance**
- Correction of errors
- Control accounts and reconciliations
- Bank reconciliations
- Suspense accounts
Preparing basic financial statements
- Statements of financial position
- Statements of profit or loss and other comprehensive income
- Disclosure notes
- Events after the reporting period
- Statements of cash flows
- Incomplete records

Preparing simple consolidated financial statements
- Subsidiaries
- Associates

Interpretation of financial statements
- Importance and purpose of analysis of financial statements
- Ratios
- Analysis of financial statements
### INDUCTION

**Topic title**

At the end of this session you will be able to:

**THE CONTEXT AND PURPOSE OF FINANCIAL REPORTING**

**Topic 1: The scope and purpose of financial statements for external reporting**

- Define financial reporting – recording, analysing and summarising financial data.
- Identify and define types of business entity – sole trader, partnership, limited liability company.
- Recognise the legal differences between a sole trader, partnership and a limited liability company.
- Identify the advantages and disadvantages of operating as a limited liability company, sole trader or partnership.
- Understand the nature, principles and scope of financial reporting.

**Topic 2: Users’ and stakeholders’ needs**

- Identify the users of financial statements and state and differentiate between their information needs.

**Topic 3: The main elements of financial reports**

- Understand and identify the purpose of each of the main financial statements.
- Define and identify assets, liabilities, equity, revenue and expenses.

**Topic 4: The regulatory framework**

- Understand the role of the regulatory system including the roles of the IFRS Foundation (IFRSF), the International

---

### Preparation for Session 1:

**Preparation activity:**

The topics listed as contents for induction are introductory concepts underpinning financial accounting. Some of these areas will be recapped at the start of session 1, however, students should read Chapter 1 of their study text, and view the online lecture on the VLE before attending session 1 to understand the background and the context of the study of financial accounting.

Additional work: students should print off a set of financial statements for a FTSE 100 company of their choice for analysis and group discussion in future seminar sessions.
### Topic 5: Duties and responsibilities of those charged with governance

- Understand the role of International Financial Reporting Standards.
- Explain what is meant by governance specifically in the context of the preparation of financial statements.
- Describe the duties and responsibilities of directors and other parties covering the preparation of the financial statements.

### Session 1

At the end of this session you will be able to:

**THE USE OF DOUBLE-ENTRY AND ACCOUNTING SYSTEMS**

**Topic 1: Double-entry book-keeping principles including the maintenance of accounting records**

- Identify and explain the function of the main data sources in an accounting system.
- Outline the contents and purpose of different types of business documentation, including: quotation, sales order, purchase order, goods received note, goods despatched note, invoice, statement, credit note, debit note, remittance advice, receipt.
- Understand and apply the concept of double-entry accounting and the duality concept.
- Understand and apply the accounting equation.

Short formative assessment test on induction topics and recap of key areas.

**TOPIC 1**

**Lecture:** Sources, records and books of prime entry.

Covering statement of financial position, income statement and relationship between the two; flow of information from business transactions to financial statements, books of prime entry.

**Seminar:** Additional activity in course planner—preparation of books of prime entry.
### Session 2

At the end of this session you will be able to:

**Topic 1: Trial balance**
- Identify the purpose of a trial balance.
- Extract ledger balances into a trial balance.
- Prepare extracts of an opening trial balance.
- Identify and understand the limitations of a trial balance.
- Understand and apply the accounting equation.

**Topic 2: Inventory**

<table>
<thead>
<tr>
<th>TOPICS 2 &amp; 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lecture:</strong> Ledger accounts and double entry. Introduction to nominal ledger, the dual effect, ledger accounts (T accounts), balancing off ledger accounts and use of journals. Recording cash and petty cash transactions.</td>
</tr>
<tr>
<td><strong>Seminar:</strong> Additional activity requirement 2. Independent study – checkpoint questions and additional questions from P&amp;R kit as directed by your lecturer.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Topic 2: Ledger accounts, books of prime entry and journals</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Identify the main types of ledger accounts and books of prime entry, and understand their nature and function.</td>
</tr>
<tr>
<td>- Understand and illustrate the uses of journals and the posting of journal entries into ledger accounts.</td>
</tr>
<tr>
<td>- Identify correct journals from given narrative.</td>
</tr>
<tr>
<td>- Illustrate how to balance and close a ledger account.</td>
</tr>
</tbody>
</table>

**Topic 3: Cash**
- Record cash transactions in ledger accounts.
- Understand the need for a record of petty cash transactions.
### Session 3

At the end of this session you will be able to:

**Topic 1: Tangible non-current assets**
- Define non-current assets.
- Recognise the difference between current and non-current assets.
- Explain the difference between capital and revenue items.
- Classify expenditure as capital or revenue expenditure.
- Prepare ledger entries to record the acquisition and disposal of non-current assets.
- Calculate and record profits or losses on disposal of non-current assets in the statement of profit or loss including part exchange transactions.
- Record the revaluation of a non-current asset in ledger accounts, the statement of profit or loss and other comprehensive income and in the statement of financial position.
- Calculate the profit or loss on disposal of a revalued asset.

**Objective question formative assessment on Session 2 topics and debrief.**

**TOPICS 1 & 2**

**Lecture:** tangible non-current assets
Definitions, capital v revenue expenditure, components of cost, depreciation, methods of depreciation, accounting for depreciation, disposal of non-current assets including part exchange, revaluations.

**Seminar:** Complete seminar exercises in lecture notes

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- Recognise the need for adjustments for inventory in preparing financial statements.
- Record opening and closing inventory.
- Identify the alternative methods of valuing inventory.
- Understand and apply the IASB requirements for valuing inventories.
- Recognise which costs should be included in valuing inventories.
- Understand the use of continuous and period end inventory records.
- Calculate the value of closing inventory using FIFO (first in, first out) and AVCO (average cost).
- Understand the impact of accounting concepts on the valuation of inventory.
- Identify the impact of inventory valuation methods on profit and on assets.

**Lecture:** IAS2 Inventory

Terminology, accounting adjustments for opening and closing inventory, inventory valuation including cost and net realisable value, theoretical methods of estimating cost including FIFO and average cost, valuation effect on profit

**Seminar:** End of chapter questions on inventory.

Group work on inventory accounting policy disclosures from FTSE 100 company accounts.

**Additional study:** checkpoint questions and additional P&R kit questions as directed by your lecturer.
• Illustrate how non-current asset balances and movements are disclosed in financial statements.
• Explain the purpose and function of an asset register.

**Topic 2: Depreciation**

• Understand and explain the purpose of depreciation.
• Calculate the charge for depreciation using straight line and reducing balance methods.
• Identify the circumstances where different methods of depreciation would be appropriate.
• Illustrate how depreciation expense and accumulated depreciation are recorded in ledger accounts.
• Calculate depreciation on a revalued non-current asset including the transfer of excess depreciation between the revaluation reserve and retained earnings.
• Calculate the adjustments to depreciation necessary if changes are made in the estimated useful life and/or residual value of a non-current asset.
• Record depreciation in the statement of profit or loss and statement of financial position.

**Topic 3: Intangible non-current assets and amortisation**

• Recognise the difference between tangible and intangible non-current assets.
• Identify types of intangible assets.
• Identify the definition and treatment of “research costs” and “development costs” in accordance with International Financial Reporting Standards.
• Calculate amounts to be capitalised as development expenditure or to be expensed from given information.
• Explain the purpose of amortisation.

**TOPIC 3**

Lecture: Intangible non-current assets Definitions, research and development expenditure, IAS 38 Intangible assets, accounting treatment, amortisation of capitalised development expenditure.

Seminar: Question practice on intangible assets.

Group discussion on disclosures made in company accounts for tangible and intangible assets – presentation to rest of group.
### Session 4

**At the end of this session you will be able to:**

**Topic 1: Half day consolidation session**

**Topic 2: Accruals and prepayments**
- Understand how the matching concept applies to accruals and prepayments.
- Identify and calculate the adjustments needed for accruals and prepayments in preparing financial statements.
- Illustrate the process of adjusting for accruals and prepayments in preparing financial statements.
- Prepare the journal entries and ledger entries for the creation of an accrual or prepayment.
- Understand and identify the impact on profit and net assets of accruals and prepayments.

### Topic 4: Sales Tax

- Understand the general principles of the operation of a sales tax.
- Calculate sales tax on transactions and record the consequent accounting entries.

**TOPIC 4**

**Lecture:** Sales Tax  
Introduction to sales tax, rates of sales tax, accounting treatment, irrecoverable sales tax and discounts.

**Seminar:** sales tax question practice.

**Additional study:** checkpoint questions and additional P&R kit questions as directed by your lecturer.

### Session 5

**At the end of this session you will be able to:**

**Topic 1: Receivables and payables**
- Explain and identify examples of receivables and payables.

**TOPIC 1**

**Recap and question practice on:**
- Books of prime entry
- Imprest system for petty cash
- Ledger account to trail balance
- Accounting equation
- Inventories
- Sales tax

**TOPIC 2**

**Lecture:** accruals and prepayments  
Definitions, accounting treatment, reversing out accruals and prepayments.

**Seminar:** Complete seminar questions at end of the chapter.

**Additional study:** checkpoint questions and additional P&R kit questions as directed by your lecturer.

**Independent study:** watch online lecture on accrued income and deferred income.

**Objective question formative assessment on Session 4 topics and debrief.**
| Identify the benefits and costs of offering credit facilities to customers. |
| Understand the purpose of an aged receivables analysis. |
| Understand the purpose of credit limits. |
| Prepare the bookkeeping entries to write off an irrecoverable debt. |
| Record an irrecoverable debt recovered. |
| Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position. |
| Prepare the bookkeeping entries to create and adjust an allowance for receivables. |
| Illustrate how to include movements in the allowance for receivables in the statement of profit or loss and how the closing balance of the allowance should appear in the statement of financial position. |
| Account for contras between trade receivables and payables. |
| Prepare, reconcile and understand the purpose of supplier statements. |
| Classify items as current or non-current liabilities in the statement of financial position. |

**Topic 2: Bank reconciliations**
- Understand the purpose of bank reconciliations.
- Identify the main reasons for differences between the cash book and the bank statement.
- Correct cash book errors and/or omissions.
- Prepare bank reconciliation statements.
- Derive bank statement and cash book balances from given information.
- Identify the bank balance to be reported in the final accounts.

**Topic 3: Provisions and contingencies**
- Understand the definition of “provision”, “contingent liability” and “contingent asset”.
- Distinguish between and classify items as provisions, contingent liabilities or contingent assets.
- Identify and illustrate the different methods of accounting

**Lecture:** Irrrecoverable debts and allowances
- Introduction to receivable, bad debts, doubtful debts, effect in subsequent periods, double entry for bad debts and allowances.

**Seminar:** Case study on aged receivables, accounting for bad and doubtful debts.

**Additional work:** – checkpoint questions and additional P&R questions as recommended by your lecturer.

**TOPIC 2**

**Lecture:** Bank reconciliations
- Purpose of bank reconciliation, differences between cash book balance and bank statement, preparing a bank reconciliation.

**Seminar:** Class exercises on bank reconciliations.

**Additional work:** checkpoint questions and additional questions from P&R kit as directed by your tutor.

**TOPIC 3**

**Lecture:** IAS37 Provisions, contingent liabilities and contingent assets:
### Session 6

**Topic 1: Control accounts and reconciliations**
- Understand the purpose of control accounts for accounts receivable and accounts payable.
- Understand how control accounts relate to the double-entry system.
- Prepare ledger control accounts from given information.
- Perform control account reconciliations for accounts receivable and accounts payable.
- Identify errors which would be highlighted by performing a control account reconciliation.
- Identify and correct errors in control accounts and ledger accounts.

**Topic 2: Correction of errors**
- Identify the types of error which may occur in bookkeeping systems.
- Identify errors which would be highlighted by the extraction of a trial balance.
- Prepare journal entries to correct errors.
- Calculate and understand the impact of errors on the statement of profit or loss and other comprehensive income and statement of financial position.

---

**Definitions, accounting treatment of provisions, contingent liabilities and contingent assets.**

**Seminar:** chapter questions.

Group discussion on disclosure requirements for provisions and contingent liabilities in FTSE company accounts.

**Additional work:** checkpoint questions and additional questions from P&R kit as directed by your tutor.

---

At the end of this session you will be able to:

**TOPIC 1**
- Lecture: control accounts
  - Recap of flow of information, reconciliation between control accounts and memorandum ledgers, treatment of contras, returns, credit notes and refunds, trade and settlement discounts, sales tax and discounts.
  - Seminar: seminar questions at end of chapter on control accounts

**TOPIC 2**
- Lecture: Recap of trial balance, uses and limitations from session 2
- Lecture: Correction of errors
  - Types of error, suspense accounts, adjustment to profits
  - Seminar: Seminar questions on correction of errors

**Additional work:** checkpoint questions and questions from P&R kit as directed by your tutor.
<table>
<thead>
<tr>
<th>Reading Week</th>
<th>Use your time in reading week to consolidate the work done so far in the term. You should attempt questions recommended by your lecturer and note any areas of difficulty for review with your lecturer after reading week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 7</td>
<td>At the end of this session you will be able to:</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 1: Half day consolidation session</strong></td>
</tr>
</tbody>
</table>
  - Understand the nature of reserves.  
  - Identify and report reserves in a company statement of financial position.  
  - Prepare a statement of financial position or extracts as applicable from given information using accounting treatments as stipulated within sections D, E and examinable documents.  
  - Understand why the heading retained earnings appears in a company statement of financial position. |
| Topic 3: Statements of profit or loss and other comprehensive income | - Prepare a statement of profit or loss and other comprehensive income or extracts as applicable from given information using accounting treatments as stipulated within section D, E and examinable documents. |

| Topic 1 | Lecture/seminar covering key areas of:  
  - Accruals and prepayments  
  - Irrecoverable debts and allowances  
  - Control accounts  
  - Bank reconciliations  
  - Correction of errors |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Topic 2 & 3: | **Lecture 1:** Introduction to company accounts  
  Terminology, types of share capital, accounting for share capital including bonus and rights issues, reserves, dividends.  
  **Lecture 2:** Preparation of financial statements for companies  
  Proforma statement of financial position, statement of changes in equity, statement of profit or loss and other comprehensive income.  
  **Seminar:** Spend Co – preparation of a set of single company accounts for publication.  
  Discussion of format and presentation of FTSE 100 company accounts.  
  **Additional study:** checkpoint questions and additional P&R kit questions as directed by your lecturer. |
### Session 8

**At the end of this session you will be able to:**

**Topic 1: Disclosure notes**
- Explain the purpose of disclosure notes
- Draft the following disclosure notes
  i) Non current assets including tangible and intangible assets

**Topic 4: Incomplete records**
- Understand and apply techniques used in incomplete record situations:
  i) Use of accounting equation
  ii) Use of ledger accounts to calculate missing figures
  iii) Use of cash and/or bank summaries
  iv) Use of profit percentages to calculate missing figures.

---

### TOPIC 1

**Lecture:** Disclosure notes

Purpose, disclosure notes for non-current assets, provisions, events after the reporting period and inventory.

### TOPIC 4

**Lecture:** Incomplete records

Issue, cost structures, accounting equation and other techniques for solving incomplete records, goods drawn by proprietor, double entry.

**Seminar:** Incomplete records questions at the end of chapter

**Additional work:**—checkpoint/P&R kit questions as directed by tutor.
### Topic 2: The qualitative characteristics of financial information

**Define, understand and apply qualitative characteristics:**
1. Relevance
2. Faithful representation
3. Comparability
4. Verifiability
5. Timeliness
6. Understandability

**Define, understand and apply accounting concepts:**
1. Materiality
2. Substance over form
3. Going concern
4. Business entity concept
5. Accruals
6. Fair presentation
7. Consistency

### Topic 3: Events after the reporting period

**Define an event after the reporting period in accordance with International Financial Reporting Standards.**

**Classify events as adjusting or non-adjusting.**

**Distinguish between how adjusting and non-adjusting events are reported in the financial statements.**

At the end of this session you will be able to:

**Topic 1: Statements of cash flows (excluding partnerships)**

- Differentiate between profit and cash flow.
### Financial Accounting

**Advanced Diploma in Accounting and Finance [ACCA]**

#### Purpose, IAS 7 statement of cash flows, cash flows from operating activities under indirect and direct methods, cash flow from investing activities, cash flows from financing activities, approach to question.

**Seminar:** Worked example Emma Co. Additional seminar questions at end of chapter.

Group discussion on FTSE 100 statements of cash flows.

**Additional work:** checkpoint/P&R kit questions as directed by your lecturer.

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<table>
<thead>
<tr>
<th><strong>Topics</strong></th>
<th><strong>Objectives</strong></th>
</tr>
</thead>
</table>
| **Interpretation of Financial Statements** | - Understand the need for management to control cash flow.  
- Recognise the benefits and drawbacks to users of the financial statements of a statement of cash flows.  
- Classify the effect of transactions on cash flows.  
- Calculate the figures needed for the statement of cash flows including:  
  1. Cash flows from operating activities  
  2. Cash flows from investing activities  
  3. Cash flows from financing activities  
- Calculate the cash flow from operating activities using the indirect and direct method.  
- Prepare statements of cash flows and extracts from statements of cash flows from given information.  
- Identify the treatment of given transactions in a company’s statement of cash flows. |
| **TOPICs 2, 3 & 4** | **Lecture:** Interpretation of financial statements.  
Importance and purpose of interpretation of financial statements, analysis of financial statements, ratio analysis – profitability ratios, liquidity ratios, efficiency ratios, financial position ratios, limitations of ratios.  
**Seminar:** group work on TJF case study with presentation of findings.  
**Additional study:** checkpoint questions and additional P&R kit questions as directed by your lecturer. |

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**Topic 2: Importance and purpose of analysis of financial statements**

- Describe how the interpretation and analysis of financial statements is used in a business environment.
- Explain the purpose of interpretation of ratios.

**Topic 3: Ratios**

- Calculate key accounting ratios:
  1. Profitability  
  2. Liquidity  
  3. Efficiency  
  4. Position
- Explain the interrelationships between ratios
**Topic 4: Analysis of financial statements**

- Calculate and interpret the relationship between the elements of the financial statements with regard to profitability, liquidity, efficient use of resources and financial position.
- Draw valid conclusions from the information contained within the financial statements and present these to the appropriate user of the financial statements.

**At the end of this session you will be able to:**

**PREPARING SIMPLE CONSOLIDATED FINANCIAL STATEMENTS**

**Topic 1: Subsidiaries**

- Define and describe the following terms in the context of group accounting:
  i) Parent
  ii) Subsidiary
  iii) Control
  iv) Consolidated or group financial statements
  v) Non-controlling interest
  vi) Trade/simple investment

- Identify subsidiaries within a group structure.
- Describe the components of and prepare a consolidated statement of financial position or extracts thereof including:
  i) Fair value adjustments at acquisition on land and buildings (excluding depreciation adjustments)
  ii) Fair value of consideration transferred from cash and shares (excluding deferred and contingent consideration)
  iii) Elimination of inter-company trading balances (excluding cash and goods in transit)
  iv) Removal of unrealised profit arising on

**TOPICS 1 & 2**

**Lecture 1: Introduction to consolidated financial statements**

Concept, types of investment, parent’s separate financial statements, group financial statements, consolidated statement of financial position, pre and post-acquisition reserves.

**Lecture 2: Consolidated statement of financial position**

Approach to consolidated statement of financial position, goodwill, non-controlling interest, other reserves, fair values, inter-company trading and unrealised profit, mid-year acquisitions, accounting for associates.

**Seminar:** Question practice – Reprise

**Lecture 3: The consolidated statement of profit or loss and other comprehensive income.**

Purpose and approach to consolidated statement of profit or loss and other comprehensive income, inter-company trading, mid-year acquisitions, treatment of associates.

**Seminar:** Question practice – Panther group.
inter-company trading
v) Acquisition of subsidiaries part way through
the financial year
- Calculate goodwill (excluding impairment of goodwill) using
the full goodwill method only as follows:
  Fair value of consideration \( X \)
  Fair value of non-controlling interest \( X \)
  Less fair value of net assets at acquisition \( X \)
  Goodwill at acquisition \( X \)
- Describe the components of and prepare a consolidated
statement of profit or loss and other comprehensive income or
extracts thereof including:
  i) Elimination of inter-company
  trading balances (excluding cash and
goods in transit)
  ii) Removal of unrealised profit
  arising on inter-company trading
  iii) Acquisition of subsidiaries part
  way through the financial year

Topic 2: Associates
- Define and identify an associate
  and significant influence and
  identify the situations where
  significant influence or
  participating interest exists.
- Describe the key features of a
  parent-associate relationship
  and be able to identify an
  associate within a group
  structure.
- Describe the principle of equity
  accounting

Discussion of group financial statements for
FTSE 100 companies

Additional work: checkpoint/P&R kit
questions as directed.

<table>
<thead>
<tr>
<th>Session 11</th>
<th>Revision and consolidation day</th>
<th>A day of revision topics and formative assessment steps in preparation for the summative assessment</th>
</tr>
</thead>
</table>
| REVISION   | Formative assessment steps     | Completion of Mock Assessments
  In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas |
| ASSESSMENT | 2 Hour Unseen Assessment       | |
CORPORATE & BUSINESS LAW

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
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<tbody>
<tr>
<td>Level</td>
<td>5</td>
</tr>
<tr>
<td>Credit Value</td>
<td>40 Credits</td>
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<tr>
<td>Contact Hours</td>
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<tr>
<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Monica Horvath</td>
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</tbody>
</table>

Pre-requisites: None
Co-requisites: None
Post-requisites: None
Excluded Combinations: None
External Accrediting Body: ACCA

Introduction

This module is designed to introduce key legal concepts to accountants.

Accountants need to:

- Develop knowledge and skills in the understanding of the general legal framework of English law and of specific legal areas relating to business. In this context the aim is not to create legal specialists, but instead to develop knowledge and understanding of the general legal framework and in particular to consider specific legal areas relating to business.

- To recognise the need to seek further specialist legal advice, where necessary. This module is not designed to turn you into a legal professional. Professional accountants need to be aware of the need to seek further, specialist legal advice, where necessary and to understand the impact of the law on business and accounting decisions.
Educational Aims

This module aims to:

• Introduce contemporary sources of English law
• Provide a broad knowledge and comprehension of the basic principles of contract formation, content and breach
• Introduce the tort of negligence and advise on rights, remedies and defences
• Introduce employment law and the main duties of employers and rights of employees
• Understand the concept of the company as a separate legal person
• Gain an overview of the legal aspects of the administrative processes of running a company, including the duties and powers of directors
• Critically analyse the effectiveness of corporate governance in regulating executive management
• Identify the choices open to directors when companies are in difficulty or in crisis

Learning Outcomes:

After completing this module, you will be able to:

• Understand the general legal framework, and apply specific legal principles relating to business.
• Apply specific legal principles relating to business to individuals and companies
• Synthesise information given in a scenario and design appropriate solutions to legal problems
• Develop professional judgement through the discussion of legal problems and scenarios
• Understand the limitations of acquired knowledge of legal issues and recognise the need to seek further specialist advice, where necessary
• Consider facts and draw appropriate conclusions about the legal position of businesses and corporations

The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th>Learning Outcome</th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
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<tbody>
<tr>
<td>Knowledge and understanding</td>
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<tr>
<td>Cognitive (thinking) skills</td>
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<tr>
<td>Professional skills and attitudes</td>
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<tr>
<td>Transferable skills</td>
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</table>

Mode of Assessment

This module is assessed through the completion of
One, two hour unseen assessment.

In addition to the summative element, the module contains the following formative elements:

**Formative Elements**

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

**Summative Element**

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, two hour unseen assessment

The assessments are marked according to the Level 5 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.
Indicative Reading

Core Text

BPP ACCA Study text: Paper F4 Corporate and Business Law
BPP ACCA Practice and revision kit: Paper F4 Corporate and Business Law
BPP ACCA Course Notes Paper F4 Corporate and Business Law

The following reading list is to be used for guided additional reading and resources as directed by your lecturer and as background reading to further your understanding of the subject.

Books and Texts


Solomon, J (2010) Corporate Governance and Accountability, 3rd edition, Chichester, John Wiley & Sons Ltd


Academic and Professional Articles

Students will be strongly encouraged to use academic and professional articles to support their research and studies.


(2013) Key Aspects of the Law of Contract and the Tort of Negligence, accaglobal.com, 2 August

(2013) “Housing Benefit challenge dismissed by the High Court”, bbcnews.co.uk 30 July

(2013) “Unison cleared to challenge employment tribunal fees”, bbcnews.co.uk 29 July


INDICATIVE SCHEME OF WORK
In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: CORPORATE AND BUSINESS LAW

Syllabus:

- Essential elements of the legal system
  - Law and the legal system
  - Sources of law

- The law of obligations
  - Formation of contract
  - Content of contracts
  - Breach of contract and remedies
  - The law of torts and professional negligence

- Employment law
  - Contract of employment
  - Dismissal and redundancy

- The formation and constitution of business organisations
  - Agency law
  - Partnerships
  - Corporations and legal personality
  - The formation and constitution of companies

- Capital and financing of companies
  - Share capital
  - Loan capital
  - Capital maintenance and dividend law

- Management, administration and the regulation of companies
  - Company directors
  - Other company officers
  - Company meetings and resolutions

- Insolvency law
  - Insolvency and administration

- Corporate fraudulent and criminal behaviour
  - Fraudulent and criminal behaviour
• Contemporary challenges in business and corporate law
<table>
<thead>
<tr>
<th>Topic</th>
<th>Content</th>
<th>Learning and Teaching Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDUCTION</strong></td>
<td><strong>Before the course you will need to</strong></td>
<td><strong>Preparation for Session 1:</strong></td>
</tr>
<tr>
<td></td>
<td>Familiarise yourself with the essential elements of the legal system</td>
<td><strong>Key Reading:</strong> Read Chapters 1 and 2 of the BPP ACCA F4 study text to gather background information on the legal system</td>
</tr>
<tr>
<td></td>
<td><strong>Session 1</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 1: Essential elements of the legal system</strong></td>
<td>At the end of topic 1 you will be able to:</td>
<td><strong>Topic 1: Tutor Led Presentation:</strong></td>
</tr>
<tr>
<td></td>
<td>- Define and distinguish types of law</td>
<td>Explaining the differences between Civil and criminal law and the structure of the court system.</td>
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<td></td>
<td>- Explain the structure and operation of the courts</td>
<td>Test understanding by use of a class-based individual learning activity:</td>
</tr>
<tr>
<td><strong>Topic 2: Sources of law</strong></td>
<td>At the end of topic 2 you will be able to:</td>
<td><strong>Topic 2: Lecture on the sources of law</strong></td>
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<tr>
<td></td>
<td>- Explain what is meant by case law and precedent</td>
<td>Identifying key terminology and procedures</td>
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<td>- Explain legislation and evaluate delegated legislation</td>
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<td>- Illustrate the rules and presumptions used by the courts in interpreting statutes</td>
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<td>- Identify the concept and impact of human rights law</td>
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<tr>
<td><strong>Topic 3: Essentials of contract law</strong></td>
<td>At the end of Topic 3 you will be able to:</td>
<td><strong>Topic 3: Interactive tutor-led presentation on the essentials of contract law</strong></td>
</tr>
<tr>
<td></td>
<td>- Analyse the nature of a simple contract</td>
<td>Students to prepare a mind-map for each essential element of a contract in turn, to consolidate their understanding and help their revision in preparation for future assessment.</td>
</tr>
<tr>
<td></td>
<td>- Explain the meaning of an offer and distinguish it from an invitation to treat</td>
<td>Seminar activity:</td>
</tr>
<tr>
<td></td>
<td>- Explain the termination of an offer</td>
<td>Structured class discussion of the relevance of the essentials of contract law to a series of scenarios provided by the lecturer.</td>
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<td></td>
<td>- Explain the meaning and consequence of an acceptance</td>
<td>Understanding and knowledge test</td>
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<td>-</td>
<td>Attempt achievement ladder step 1</td>
</tr>
<tr>
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<td></td>
<td>Multiple Choice Test – to identify areas of knowledge and understanding gained from Topics 1, 2 and 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Homework and preparation for next session</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Review all notes and work from Session 1.</td>
</tr>
</tbody>
</table>
**Session 2**

**Topic 1: Contract Law Consideration**
At the end of Topic 1 you will be able to:
- Explain the need for consideration
- Explain adequacy and sufficiency of consideration
- Analyse the doctrine of privity
- Distinguish the presumptions relating to the intention to create legal relations

**Topic 2: Contents of contracts**
At the end of Topic 2 you will be able to:
- Distinguish terms from mere representations
- Define the various contractual terms
- Explain the effect of exclusion clauses and evaluate their control

**Seminar activity:**
Quiz on material from session 1 — answer in groups.
**Topic 1. Lecture presentation:**
Explaining the concept of consideration in relation to contracts.
**Seminar activity:**
Students to prepare mind maps to illustrate an area from the lecture, allocated by lecturer. Groups to feedback the mind maps as short presentations to the rest of the class.

**Topic 2: Lecture presentation:**
Explaining the contents of a contract.
**Seminar activity:**
In small groups, prepare brief presentations illustrating one aspect of the contents of a contract and groups deliver these presentations to the rest of the class.

Complete achievement ladder step 2 – multiple choice question test on contract law and the legal system.

**Homework and preparation for next session**
Review topics covered in Session 2 and check understanding of all areas covered.
Read Chapter 4 of the text.
Complete MCQ questions to test knowledge and understanding
Read Chapter 5 of the text to prepare for Session 3
### Session 3

**Topic 1: Breach of contract and remedies**
At the end of Topic 1 you will be able to:
- Explain the ways in which a contract may be discharged
- Explain the meaning and effect of breach of contract
- Explain the rules relating to the award of damages
- Analyse the equitable remedies for breach of contract

**Topic 2: Mock assessment practice**

**Session 4**

**The law of tort and professional negligence**

**Topic 1**
At the end of topic 1 you will be able to:
- Explain the meaning of tort
- Explain the tort of ‘passing off’
- Explain the tort of negligence including the duty of care and its breach
- Explain the meaning of causality and remoteness of damage
- Discuss defences to actions in negligence
- Explain and analyse the duty of care of accountants and auditors

**Employment law**

**Topic 2**
At the end of Topic 2 you will be able to:
- Distinguish between the employed and the self-employed

**Topic 1: Lecture to explain breach of contract and remedies.**
Groups to prepare answers to a series of scenarios provided by the tutor to illustrate the contents of the lecture and test understanding and application of knowledge.

**Formative assessment:** Complete a mock examination covering all aspects of the course so far.

**Contract law quiz:**
Interactive quiz question session testing knowledge and understanding of contract law.

**Homework and preparation for next session**
Review topic covered in Session 3.
Prepare revision summaries of sessions 1 to 3.
Complete remaining multiple choice tests on topics covered so far.

**Topic 1: Lecture introducing the law of tort**

**Seminar activities**
Develop a key case list for tort, with the key facts of important cases and their relevance to the law of tort.
Group sessions to research the law of professional negligence and the relevance to accountants and auditors.
Lecturer to provide a pack of information and students to review and research to prepare a paper for submission for peer review within their groups.

**Topic 2: Lecture on the concept of employment v self-employment and the contract of employment**

**Seminar activities:**
### Topic 3
#### Dismissal and redundancy

At the end of Topic 3 you will be able to:
- Explain termination of employment by notice
- Distinguish between summary and constructive dismissal
- Explain wrongful dismissal
- Explain unfair dismissal, including the procedure and fair and unfair reasons for dismissal
- Explain what is meant by redundancy

Examples to work through in groups or individually.

**Topic 3 Lecture on dismissal and redundancy:**

**Seminar activity:**
Role play presentations on types of dismissal

**Formative assessment:**
Multiple choice test on law of tort and employment law

**Homework and preparation for next session**
Prepare revision summaries of the law of tort and employment law.

**Background reading:**
Chapters 6 – 9 of study text.

Complete remaining questions on tort and employment law

Read Chapter 10 of text: Agency

### Session 5

**Agency Law:**

**Topic 1**

At the end of Topic 1 you will be able to:
- Define the role of the agent and give examples of such relationships paying particular regard to partners and company directors
- Explain the formation of the agency relationship
- Define the authority of the agent
- Explain the potential liability of both principal and agent.

**Quiz: Tort and employment law**

**Topic 1**

**Lecture with examples of the agent relationship**

**Seminar activity:**
Complete a series of exercises and activities in groups test understanding and application of the rules of agency

**Partnerships**
### Topic 2
**At the end of Topic 2 you will be able to:**
- Demonstrate a knowledge of the legislation governing the partnership, both unlimited and limited
- Discuss the formation of a partnership
- Explain the authority of partners in relation to partnership activity
- Analyse the liability of various partners for partnership debts
- Explain the termination of partnership, and partners’ subsequent rights and liabilities

#### Corporations and legal personality:

### Topic 3
**At the end of Topic 3 you will be able to:**
- Distinguish between sole traders, partnerships and companies
- Explain the meaning and effect of limited liability
- Analyse different types of companies especially private and public companies
- Illustrate the effect of separate personality and the veil of incorporation
- Recognise instances where separate personality will be ignored (lifting the veil of incorporation)

#### Lecture on basic partnership law

**Seminar activity:**
In groups, prepare a mini lecture explaining partnership law terminology.
Each group to feedback their lecture version of one piece of terminology.

#### Lecture: Types of company and legal personality

**Seminar activity:**
Produce a case summary of the main cases relating to lifting the veil of incorporation.
Lecturer to provide case materials.
Group discussion of these cases

#### Homework:
Over reading week, consolidate knowledge from sessions 1 to 5.
Produce revision notes for all topics
Attempt any questions on the topics in sessions 1 to 5, not yet completed.
Prepare to take formative assessment, as homework in reading week.

<table>
<thead>
<tr>
<th>Reading Week</th>
<th>Consolidate learning in weeks 1 to 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Reading Week Formative Assessment—covering topics covered in sessions 1 to 5.</td>
<td></td>
</tr>
</tbody>
</table>
**Session 6**

**The formation and constitution of a company:**

**Topic 1**

At the end of Topic 1 you will be able to:

- Explain the roles and duties of company promoters, and the breach of those duties and remedies available to the company
- Explain the meaning of, and the rules relating to, pre-incorporation contracts
- Describe the procedure for registering companies, both public and private.
- Describe the statutory books, records and returns that companies must keep or make.
- Analyse the effect of a company's constitutional documents
- Describe the contents of model articles of association
- Explain how articles of association can be changed
- Explain the controls over names that companies may or may not use

**Review of reading week formative assessment.**

**Topic 1**

Using the Companies House website, research the forms to be used to set up a company

Using the information pack provided by the lecturer consider the books, records and returns used by companies.

Produce a document that would explain the terminology used.

Lecture: articles of association and company names

Seminar: review the key point summary provided by your lecturer and participate in class discussion

**Homework and preparation for next session**

Read Chapters 13 and 14 of the study text for background information on the topics studied today.

Complete formative multiple choice question tests on the topics covered today.

Prepare revision notes on today’s topics.

Read chapter 15 of the study text in preparation for next session

**Session 7**

**Topic 1**

**Share capital**

At the end of topic 1 you will be able to:

- Examine the different types of capital

**Quiz – recapping session 6**

**Topic 1:**

Lecture: Share capital.

Seminar activity:
Ordinary v preference shares
- Illustrate the difference between various classes of share, including treasury shares and the procedure for altering class rights
- Explain allotment of shares, and distinguish between rights issue and bonus issue of shares
- Examine the effect of issuing shares at either a discount, or at a premium

**Topic 2**
**Loan capital**

At the end of Topic 2 you will be able to:
- Define companies’ borrowing powers
- Explain the meaning of loan capital and debenture
- Distinguish loan capital from share capital, and explain the different rights held by shareholders and debenture holders
- Explain the concept of a company charge and distinguish between fixed and floating charges
- Describe the need and the procedure for registering company charges

**Seminar activities**
- Lecture on loan capital focussing on the main area of types of debentures and fixed and floating charges
- Produce a document explaining the terminology used in Topic 2
- Complete formative assessment multiple choice test on topics 1 and 2.

**Topic 3**
**Company Directors/Other company officers**

At the end of Topic 3 you will be able to:
- Explain the role of directors in the operation of a company, and the different types of directors, such as executive/non-executive directors or de jure and de facto directors
- Discuss the ways in which directors are appointed, can lose their office and the disqualification of directors
- Distinguish between the powers of the board of directors, the managing director/chief executive and individual directors to bind their company
- Explain the duties that directors owe to their companies

**Seminar activities**
- Research and present, in groups, on the powers of appointment and removal of directors
- Class discussion on company auditors.
**Session 8**

<table>
<thead>
<tr>
<th>Topic 1</th>
<th>Topic 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company meetings and resolutions</strong></td>
<td><strong>Insolvency law</strong></td>
</tr>
<tr>
<td>At the end of Topic 1 you will be able to:</td>
<td></td>
</tr>
<tr>
<td>- Distinguish between types of meetings: general meetings and annual general meetings</td>
<td><strong>Insolvency and administration</strong></td>
</tr>
<tr>
<td>- Distinguish between types of resolutions: ordinary, special and written</td>
<td>At the end of Topic 2 you will be able to:</td>
</tr>
<tr>
<td>- Explain the procedure for calling and conducting company meetings</td>
<td>- Explain the meaning of and procedure involved in voluntary liquidation, including members’ and creditors’ voluntary liquidation</td>
</tr>
<tr>
<td></td>
<td>- Explain the meaning of, the grounds for, and the procedure involved in compulsory liquidation</td>
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<td></td>
<td>- Explain the order in which company debts will be paid off on liquidation</td>
</tr>
</tbody>
</table>

**Insolvency and administration**

At the end of Topic 2 you will be able to:

- Explain the meaning of, the grounds for, and the procedure involved in compulsory liquidation
- Explain the order in which company debts will be paid off on liquidation

**Quiz** – to recap session 7

**Topic 1**

Lecture presentation on company meetings and resolutions

Seminar activity: working individually consider the pack provided by your lecturer on types of meetings and questions about resolutions

**Topic 2**

Lecture distinguishing between types of insolvency and the procedures surrounding each type of insolvency

Seminar activity: divide into groups. Each group produces a diagram illustrating the rules and procedures for a different type of insolvency

Homework and preparation for next session:

Read Chapter 17 of the study text and listen to recorded lecture on the virtual learning environment on capital maintenance and dividend law

Prepare revision notes on topics covered in Session 7
- Explain administration as a general alternative to liquidation
- Explain the way in which an administrator may be appointed, the effects of such appointment, and the powers and duties of an administrator

**Topic 3**
**Corporate fraudulent and criminal behaviour**

At the end of Topic 3 you will be able to:
- Recognise the nature and legal control over insider dealing
- Recognise the nature and legal control over market abuse
- Recognise the nature and legal control over money laundering
- Recognise the nature and legal control over bribery
- Discuss potential criminal activity in the operation, management and liquidation of companies
- Recognise the nature and legal control over fraudulent and wrongful trading

**Lecture:** focussing on money laundering and insider dealing

**Seminar activity:**
Prepare a key point summary, outlining the definition of the offences, defences and maximum sentence for each offence. Apply these summaries to examples provided by your lecturer.

**Homework:**
Prepare revision summaries from session 8
Complete multiple choice test on topics covered in Session 8

**Session 9**
**Consolidation and Practice Assessment**

In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas

**REVISION**
**Extension and Consolidation**
You should be revisiting the topics covered, personal notes and content on the VLE

**Revision Clinic:** You should be reading from the core and other text books on the reading list to consolidate your understanding of the course.
You should also be completing questions from the Question bank to further consolidate your knowledge and apply your knowledge to realistic scenarios.

**ASSESSMENT**
2 hour unseen assessment
PERFORMANCE MANAGEMENT

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td>5</td>
</tr>
<tr>
<td>Credit Value</td>
<td>40 Credits</td>
</tr>
<tr>
<td>Contact Hours</td>
<td>72 Hours</td>
</tr>
<tr>
<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Jason Sherwood</td>
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</table>

<table>
<thead>
<tr>
<th>Related Modules</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Pre-requisites</td>
<td>None</td>
</tr>
<tr>
<td>Co-requisites</td>
<td>None</td>
</tr>
<tr>
<td>Post-requisites</td>
<td>None</td>
</tr>
<tr>
<td>Excluded Combinations</td>
<td>None</td>
</tr>
</tbody>
</table>

External Accrediting Body: ACCA

Introduction

The Performance Management module builds on the knowledge gained in the earlier module, Management Accounting, and seeks to further your understanding of how to manage the performance of a business. It also prepares you for more specialist capabilities which are covered in later professional or academic modules.

The module begins by introducing more specialised management accounting topics. There is some knowledge assumed from the Management Accounting module — primarily overhead treatments. The objective here is to ensure you have a broader background in management accounting techniques.

The module also considers decision-making. Management accountants need to appreciate the problems surrounding scarce resource, pricing and make-or-buy decisions, and how this relates to the assessment of performance. Risk and uncertainty are a factor of real-life decisions and the module shows you how to understand risk and be able to apply some basic methods to help resolve the risks inherent in decision-making.

Budgeting is an important aspect of many accountants’ lives and the module explores different budgeting techniques and the problems inherent in them. The behavioural aspects of budgeting are important for accountants to understand, and the module includes consideration of the way individuals react to a budget. The preparation of fixed, flexible and incremental budgets is assumed knowledge from the management accounting module.

Standard costing and variances are then built on. All the variances included in the management accounting module are assumed knowledge in this module. Mix and yield variances, and planning and operational variances are also explored here and the link is made to performance management. It is important for accountants to be able to interpret the numbers that they calculate and ask what they mean in the context of performance.
The module concludes with performance management systems, measurement and control. This is a major area of management accounting and accountants need to understand how a business should be managed and controlled and how information systems can be used to facilitate this. They should appreciate the importance of both financial and non-financial performance measures in management. Accountants should also appreciate the difficulties in assessing performance in divisionalised businesses and the problems caused by failing to consider external influences on performance.

All of the subject areas covered in this module could be equally applicable to either a public sector or private sector context.
Educational Aims

This module aims to:
- Explain and apply cost accounting techniques
- Select and appropriately apply decision-making techniques to facilitate business decisions and promote efficient and effective use of scarce business resources, appreciating the risks and uncertainty inherent in business and controlling those risks
- Identify and apply appropriate budgeting techniques and methods for planning and control
- Use standard costing systems to measure and control business performance and to identify remedial action
- Identify and discuss performance management information and measurement systems and assess the performance of an organisation from both a financial and non-financial viewpoint, appreciating the problems of controlling divisionalised businesses and the importance of allowing for external aspects.

Learning Outcomes

After completing this module, you will be able to:
- Use relevant management accounting techniques with cost information, for planning, decision-making, performance evaluation and control, within different business settings
- Apply financial management techniques to issues affecting investment, financing and dividend policy decisions of an organisation.
- Select and apply appropriate accounting and financial management techniques to organisational business planning, decision-making and control.
- Understand the limitations of accounting techniques and the implications of such limitations
- Critically evaluate accounting concepts and principles and their application in solutions to practical accounting problems
- Communicate analysis of accounting and financial information and recommendations to a variety of different audiences
- Solve problems through the identification of key issues, synthesis of information and analytical tools, and the presentation and critical evaluation of a range of options
- Communicate appropriately in writing to both specialist and non-specialist audiences.

The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge and understanding</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cognitive (thinking) skills</td>
<td></td>
<td>✓</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Professional skills and attitudes</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Transferable skills</td>
<td>✓</td>
<td>✓</td>
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</tr>
</tbody>
</table>

Mode of Assessment
This module is assessed through the completion of

One, three hour, unseen assessment.

In addition to the summative element, the module contains the following formative elements:

Formative Elements

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

Summative Element

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, three hour unseen assessment

The assessments are marked according to the Level 5 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

Indicative Reading

Core Text

BPP ACCA Study text: Paper F5 Performance Management
BPP ACCA Practice and revision kit: Paper F5 Performance Management
BPP ACCA Course Notes Paper F5 Performance Management

The following materials may be used for background reading and reference, as directed by your lecturer:

Books and Texts


Academic and Professional Articles

Students will be encouraged to use academic and professional articles to support their research and studies.


These may also include articles extracted from the following sources which are not exhaustive:

- Accounting, Organizations and Society
- Contemporary Cost Accounting and Control
- Financial Management
- Harvard Business review
- Journal of Accounting Research
- Journal of Business Finance and Accounting Management
- Accounting Research
- Accounting Review
- International Journal of Accounting Online

Online Resources

Professional accounting bodies:

- CIMA www.cimaglobal.com
- ICAEW www.icaew.com
- ACCA www.accaglobal.com
- CIMA www.cimaglobal.com
- Financial Times www.ft.com
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: Performance Management

Syllabus:

Specialist cost and management accounting
- Activity-based costing
- Target costing
- Life-cycle costing
- Throughput accounting
- Environmental accounting

Decision-making techniques
- Relevant cost analysis
- Cost volume analysis
- Limiting factor
- Pricing decisions
- Make-or-buy and other short-term decisions
- Dealing with risk and uncertainty in decision

Budgeting and control
- Budgetary systems
- Types of budget
- Quantitative analysis in budgeting
- Standard costing
- Material mix and yield variances
- Sales mix and quantity variances
- Planning and operational variances
- Performance analysis and Behavioural aspects

Performance measurement and control
- Performance management information systems
- Sources of management information
- Management reports
- Performance analysis in private sector organisations
- Divisional performance and transfer pricing
- Performance analysis in not-for-profit organisations and the public sector
- External considerations and behavioural aspects
<table>
<thead>
<tr>
<th>Topic</th>
<th>Content</th>
<th>Learning and Teaching Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUCTION</td>
<td><strong>Before the course you will need to</strong></td>
<td><strong>Preparation for Session 1:</strong></td>
</tr>
<tr>
<td></td>
<td>Familiarise yourself with the following material covered in the Management Accounting Module:</td>
<td><strong>Key Reading:</strong> Read Chapter 1 of the BPP ACCA F5 study text to recap basic costing systems.</td>
</tr>
<tr>
<td></td>
<td>- Costing techniques</td>
<td><strong>Online resource:</strong> Listen to the online lectures for absorption and marginal costing.</td>
</tr>
<tr>
<td></td>
<td>- Variance analysis</td>
<td></td>
</tr>
<tr>
<td>Session 1</td>
<td><strong>At the end of this session you will be able to:</strong></td>
<td><strong>Topic 1: Tutor Led Presentation:</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Topic 1: Revision</strong></td>
<td>Explaining the differences between absorption and marginal costing. Review of the structure of a cost card, including the overhead absorption rate formula.</td>
</tr>
<tr>
<td></td>
<td>- Understand the principles of absorption costing and marginal costing, with a view to comparisons to modern costing techniques.</td>
<td><strong>Formative assessment:</strong> Complete multiple choice questions to ensure thorough understanding.</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 2: Activity based costing (ABC)</strong></td>
<td><strong>Topic 2: Lecture presentation:</strong></td>
</tr>
<tr>
<td></td>
<td>- Identify appropriate cost drivers under ABC.</td>
<td>Explanation of the principles and concepts behind ABC.</td>
</tr>
<tr>
<td></td>
<td>- Calculate costs per driver and per unit using ABC.</td>
<td><strong>Seminar activity:</strong> Individual activity to reinforce understanding of cost drivers.</td>
</tr>
<tr>
<td></td>
<td>- Compare ABC and traditional methods of overhead absorption based on production units, labour hours or machine hours.</td>
<td><strong>Tutor Led Presentation</strong> Tutor led numerical activity to illustrate the ABC calculations.</td>
</tr>
<tr>
<td></td>
<td><strong>Workshop:</strong></td>
<td><strong>Seminar activity:</strong> Group task to critically evaluate the calculations performed within the tutor lead example to identify the uses and limitations of the information. Class discussion to collate a complete list.</td>
</tr>
</tbody>
</table>
### Topic 3: Life-cycle costing
- Identify the costs involved at different stages of the life-cycle.
- Derive a life cycle cost in manufacturing and service industries.
- Identify the benefits of life cycle costing.

### Numerical exercises on calculation of cost per unit using absorption costing and ABC.

**Seminar activity:**
Class split into 2 groups and debate the application of absorption costing and ABC in a modern environment.

### Topic 3 - Seminar Activity
Open discussion regarding the stages of a product's life, structured around a tutor provided illustration.

### Lecture presentation
Explanation of the key terminology and process of the product lifecycle.

### Seminar Activity
Group task to research and place products within the product lifecycle and present to the class.

### Homework and preparation for the next session:
- Review all notes and work from Session 1.
- Attempt additional multiple choice question tests on Session 1 topics.
- Read and rework activity from chapter 2a from BPP ACCA F5 study text regarding ABC vs AC.
- Read Chapter 3, topic 1 of the BPP ACCA F5 study text to recap the primary calculations in CVP analysis.

### Session 2
At the end of this session you will be able to:

**Topic 1: Cost volume profit analysis**
- Explain the nature of CVP analysis.
- Calculate and interpret break-even point and margin of safety.
- Calculate the contribution to sales ratio, in single and multi-product situations, and

**Topic 1 - Lecture presentation**
Explanation of the key terminology and illustrations of the calculations.

**Formative assessment:**
Complete multiple choice questions to ensure thorough understanding.
### Performance Management

<table>
<thead>
<tr>
<th><strong>Topic 1: CVP Analysis</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Demonstrate an understanding of its use.</td>
</tr>
<tr>
<td>- Calculate target profit or revenue in single and multi-product situations, and demonstrate an understanding of its use.</td>
</tr>
<tr>
<td>- Prepare break even charts and profit volume charts and interpret the information contained within each, including multi-product situations.</td>
</tr>
<tr>
<td>- Discuss the limitations of CVP analysis for planning and decision making.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Topic 2: Target costing</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Derive a target cost in manufacturing and service industries.</td>
</tr>
<tr>
<td>- Explain the difficulties of using target costing in service industries.</td>
</tr>
<tr>
<td>- Suggest how a target cost gap might be closed.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Topic 3: Environmental accounting</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Discuss the issues business face in the management of environmental costs</td>
</tr>
<tr>
<td>- Describe the different methods a business may use to account for its environmental costs.</td>
</tr>
</tbody>
</table>

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**Lecture presentation**

Construction of the graphical representation of a multi-product situation.

**Seminar Activity**

- Individual task: using the scenario provided by the lecturer, construct a multi-product chart.
- Group task: discuss the relevance of the information within the context of the organisation.

**Topic 2 - Lecture presentation**

Explanation of the process of target costing and the process involved.

**Seminar Activity**

- In pairs: using the internet research companies using target costing, present findings via a class presentation

**Topic 3 - Lecture presentation**

Brief review of key terminology and techniques.

**Seminar Activity**

- Individual task: research the issues within the case study (Deep Water Horizon) provided by the lecturer.
- Class task: construct a case explaining the consequences and identify ways to manage.

**Formative assessment**

Multiple choice questions to clarify understanding of terminology
### Session 3

At the end of this session you will be able to

**Topic 1: Throughput accounting**

- Discuss and apply the theory of constraints.
- Calculate and interpret a throughput accounting ratio (TPAR).
- Suggest how a TPAR could be improved.
- Apply throughput accounting to a multi-product decision-making problem.

<table>
<thead>
<tr>
<th>Homework and preparation for the next session:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare revision cards with the CVP formulae.</td>
</tr>
<tr>
<td>Complete remaining multiple choice questions on target costing.</td>
</tr>
<tr>
<td>Read chapter 2e from the ACCA F5 study text for further case study example on environmental accounting.</td>
</tr>
<tr>
<td>Obtain and read John Lewis Sustainability report regarding environmental concerns.</td>
</tr>
<tr>
<td>Read chapter 4 ACCA F5 study text section 1 regarding brought forward knowledge on limiting factors.</td>
</tr>
</tbody>
</table>

**Topic 1 - Lecture presentation**

Explanation and illustration of the theory of constraints.

Class activity: Brainstorm other factors restricting output, including possible resolutions

**Lecture presentation**

Technical walk through of the TPAR calculations.

**Formative assessment**

Multiple choice questions to practise basic calculations.

**Seminar Activity**

Role play a meeting of senior managers using Goldratt’s steps as a resolution to a bottleneck.

**Lecture presentation**

Application of technique to given scenarios...

**Formative assessment**
### Topic 2: Limiting factors

- Identify limiting factors in a scarce resource situation and select an appropriate technique.

- Determine the optimal production plan where an organisation is restricted by a single limiting factor, including within the context of “make” or “buy” decisions.

- Formulate and solve multiple scarce resource problem both graphically and using simultaneous equations as appropriate.

- Explain and calculate shadow prices (dual prices) and discuss their implications on decision-making and performance management.

- Calculate slack and explain the implications of the existence of slack for decision-making and performance management.

(Excluding simplex and sensitivity to changes in objective functions)

### Numerical and discursive question to apply calculations.

### Topic 2 - Lecture presentation

- Explanation of a limiting factor decision, and distinction between single and multiple scenarios.

### Lecture presentation

- Application of techniques in single limiting factor situations.

### Formative assessment

- Numerical question to apply stages of decision making.

### Lecture Presentation – graphical linear programming

- Process explained and illustrated with an example.

### Lecture Presentation – slack and shadow price

- Review definitions and illustrative calculation.

### Seminar Activity

- Using the example calculate the relevant shadow prices

### Formative assessment

- Numerical question to apply the decision making process.

### Formative assessment

- Multiple choice questions to practise the different components and terminology.

### Homework

- Read ACCA F5 Study text chapter 4 section 2 – make or buy scenarios, including the worked example and question.
### Session 4

**At the end of this session you will be able to**

**Topic 1: Pricing decisions**
- Explain the factors that influence the pricing of a product or service.
- Explain the price elasticity of demand.
- Derive and manipulate a straight line demand equation. Derive an equation for the total cost function (including volume-based discounts).
- Calculate the optimum selling price and quantity for an organisation, equating marginal cost and marginal revenue.

**Topic 1 - Pricing**

**Seminar activity**
Group task – prepare a spider diagram/mind map of influencing factors.

**Lecture Presentation – PED**
Explain and illustrate calculations

**Formative Assessment**
Multiple choice questions to practise PED

**Lecture Presentation - demand function**
Illustrate demand function graphically and tabular approach.

**Lecture Presentation – Optimal pricing**
Explain the steps and process to calculate the profit maximising selling price.

**Formative Assessment**

---

Chapter 4 ACCA F5 Study Text – read and work through section 5 for additional examples of simultaneous equations.

Complete tutor resource pack of simultaneous equation questions.

**Preparation for the next session:**
Research the pricing strategies used by different products sold by a retailer. So when new products are launched how are consumers encouraged to purchase the items. Prepare a presentation on 1 new product ready to present to the class in session 4.

ACCA F5 Study text – read section 4, chapter 6 brought forward knowledge on process costing and listen to online lecture to recap this area.
• Evaluate a decision to increase production and sales levels, considering incremental costs, incremental revenues and other factors.
• Determine prices and output levels for profit maximisation using the demand based approach to pricing (both tabular and algebraic methods).
• Explain different price strategies, including:
  i)   All forms of cost-plus
  ii)  Skimming
  iii) Penetration
  iv)  Complementary product
  v)   Product-line
  vi)  Volume discounting
  vii) Discrimination
  viii) Relevant cost
  • Calculate a price from a given strategy using cost-plus and relevant cost.

Multiple choice questions to practise

Seminar Activity
Active debate advantages vs disadvantages of the demand function approach.

Lecture Presentation – pricing strategies
Explanation of the key terms (including cost plus)

Seminar Activity
Review prepared presentation and update for knowledge learnt.

Present your findings from the homework task to the class regarding pricing strategies

Seminar Activity
Using the tutor information pack identify appropriate selling prices for the products listed by applying the techniques, evaluate the most suitable.

Topic 2 – Relevant cash flows
Lecture presentation – relevant cash flow
Explanation of the definitions

Formative Assessment
Multiple choice questions to practise identification of a relevant cash flow.

Formative Assessment
Scenario based questions to apply principles

Seminar Activity
Group task – mind mapping of other issues impacting a shutdown decision.

Lecture Presentation – Further Processing
Application of relevant cash flows into a processing decision.

Topic 2: Make-or-buy and other short-term decisions
• Explain the issues surrounding make vs. buy and outsourcing decisions.
• Calculate and compare “make” costs with “buy-in” costs.
• Compare in-house costs and outsource costs of completing tasks and consider other issues surrounding this decision.
• Apply relevant costing principles in situations involving shut down, one-off contracts and the further processing of joint products.
### Topic 3: Dealing with risk and uncertainty in decision-making

- Suggest research techniques to reduce uncertainty e.g. Focus groups, market research.
- Explain the use of simulation, expected values and sensitivity.
- Apply expected values and sensitivity to decision-making problems.
- Apply the techniques of maximax, maximin and minimax regret to decision-making problems including the production of profit tables.
- Calculate the value of perfect and imperfect information.
- Draw a decision tree and use it to solve a multi-stage decision problem.

### Topic 3 – Risk & Uncertainty

**Seminar activity**
Break out groups to brainstorm real world methods of reducing uncertainty.

**Lecture Presentation – dealing with risk**
Explanation of expected values and presentation of uncertain information.

**Seminar Activity**
Multiple choice questions to practise the techniques

**Lecture Presentation – dealing with uncertainty**
Further techniques to apply in decision making scenarios.

**Seminar Activity**
Numerical example to calculate the sensitivity of different influencing factors. Group task – consider appropriate responses to each factor.

**Lecture Presentation - risk attitude**
Description and illustration of the alternative techniques.

**Seminar Activity**
Multiple choice questions to practise the techniques

**Lecture activity – VOPI**
Illustration of technique

**Lecture Presentation - decision tree**
Construct the decision tree and evaluate the optimal decision.

**Formative Assessment**
Numerical question to practise process

**Homework**
Complete multiple choice questions relating to application of relevant cash flows.
### Session 5

At the end of this session you will be able to

**Topic 1: Budgetary systems**
- Explain how budgetary systems fit within the performance hierarchy.

- Select and explain appropriate budgetary systems for an organisation, including top-down, bottom-up, rolling, zero-base, activity-based, incremental and feed-forward control.

- Describe the information used in budget systems and the sources of the information needed.

- Explain the difficulties of changing a budgetary system.

- Explain how budget systems can deal with uncertainty in the environment.

**Topic 2: Types of Budget**
- Prepare rolling budgets and activity-based budgets.

- Indicate the usefulness and problems with different budget types (including fixed, flexible, zero-based, activity-based, incremental, rolling, top-down, bottom-up, master, functional).

---

**Tutor resource pack to practise risk and uncertainty techniques.**

**ACCA F5 Study text – read sections 1 and 2 Chapter 7 regarding risk attitude.**

**Preparation for the next session:**
- Formative assessment – Assessment 1 (To be debriefed in Session 7)

Online resources to recap budget knowledge gained from earlier stages.

**Quiz to recap session 4**

**Topic 1 – Budgetary systems**
**Lecture Presentation – Topic 1**
Tutor lead lecture of the purpose of a budget and types of systems to be adopted.

**Seminar Activity**
Research the advantages and disadvantages of different types of budgetary systems, group task to present to the class as balanced argument, including the impact on motivation.

**Seminar Activity**
Research sources of budgetary information
Group tasks – consider the limitations of each source.

**Lecture Presentation – Topic 2**
Lecture regarding the different methods of constructing a budget.

**Formative Assessment**
Numerical question to practise process
### Topic 3: Quantitative analysis in budgeting

- Explain the difficulties of changing the type of budget used.

#### Seminar Activity
Tutor resource pack application of techniques

#### Topic 3 – Quantitative Analysis

- Analyse fixed and variable cost elements from total cost data using high/low method.

#### Lecture Presentation
Recap of technique from prior knowledge

#### Formative Assessment
Multiple choice questions to apply technique

- Estimate the learning rate and learning effect
- Apply the learning curve to a budgetary problem, including calculations on steady states

#### Lecture Presentation
Detailed explanation of the learning effect and learning curve

#### Formative Assessment
Multiple choice questions to apply technique

- Discuss the reservations with the learning curve.
- Apply expected values and explain the problems and benefits.

#### Seminar Activity
Group discussion into factors restricting the learning effect and reasons behind the steady state.

- Explain the benefits and dangers inherent in using spreadsheets in budgeting

#### Seminar Activity
Tutor scenario provided, present in an appropriate budget format in a spreadsheet. Presentation to tutor identifying the benefits and problems of using a spreadsheet for this purpose.

### Homework

Using the budgetary examples from session 5, present the data in spreadsheet format.

Complete all multiple choice questions relating to session 5.

Read technical articles from information pack.

### Preparation for the next session:
At the end of this session you will be able to

**Topic 1: Standard costing**
- Explain the use of standard costs.
- Outline the methods used to derive standard costs and discuss the different types of cost possible.
- Explain and illustrate the importance of flexing budgets in performance management.
- Explain and apply the principle of controllability in the performance management system.

**Topic 2: Material mix and yield variances**
- Calculate, identify the cause of, and explain material mix and yield variances.
- Explain the wider issues involved in changing material mix e.g. cost, quality and performance measurement issues.
- Identify and explain the relationship of the material usage variance with the material mix and yield variances.
- Suggest and justify alternative methods of controlling production processes.

**Topic 3: Sales mix and quantity variances**
- Calculate, identify the cause of, and explain sales mix and quantity variances.

Review the topic of variance analysis from the earlier management accounting module in preparation for session 6.

<table>
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<th>Session 6</th>
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<tr>
<td><strong>At the end of this session you will be able to</strong></td>
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<tr>
<td><strong>Topic 1: Standard costing</strong></td>
<td><strong>Top ic 1 – Standard Costing</strong></td>
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<td>Lecture Presentation – Topic 1</td>
<td>Lecture Presentation – Topic 1</td>
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<tr>
<td>Lecture revising the methods to set a standard and the purpose of standard costing.</td>
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<tr>
<td><strong>Formative Assessment</strong></td>
<td><strong>Formative Assessment</strong></td>
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<tr>
<td>Multiple choice questions on types of standards</td>
<td>Multiple choice questions on types of standards</td>
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<tr>
<td><strong>Seminar Activity</strong></td>
<td><strong>Seminar Activity</strong></td>
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<tr>
<td>Group discussion – decide and explain whether costs are controllable.</td>
<td>Group discussion – decide and explain whether costs are controllable.</td>
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<tr>
<td><strong>Seminar Activity</strong></td>
<td><strong>Seminar Activity</strong></td>
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<tr>
<td>Research into real world organisations who apply standard costing and the benefits they achieve.</td>
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<tr>
<td><strong>Seminar Activity</strong></td>
<td><strong>Seminar Activity</strong></td>
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<tr>
<td>Multiple choice questions and lecturer debrief of basic variance analysis, (following from session 5 homework).</td>
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<tr>
<td><strong>Lecture Presentation – Topic 2</strong></td>
<td><strong>Lecture Presentation – Topic 2</strong></td>
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<tr>
<td>Description and illustration of mix and yield variances</td>
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<tr>
<td><strong>Formative Assessment</strong></td>
<td><strong>Formative Assessment</strong></td>
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<tr>
<td>Numerical question to practise process</td>
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<tr>
<td>Discussion task – write a report explaining the calculations performed.</td>
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<tr>
<td><strong>Seminar Activity</strong></td>
<td><strong>Seminar Activity</strong></td>
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<tr>
<td>Group brainstorm task regarding control systems</td>
<td>Group brainstorm task regarding control systems</td>
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<tr>
<td><strong>Lecture Presentation – Topic 3</strong></td>
<td><strong>Lecture Presentation – Topic 3</strong></td>
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</table>
- Identify and explain the relationship of the sales volume variances with the sales mix and quantity variances.

**Topic 4: Planning and operational variances**

- Calculate a revised budget.
- Identify and explain those factors that could and could not be allowed to revise an original budget.

- Calculate, identify the cause of and explain planning and operational variances for:
  1. Sales, including market size and market share;
  2. Materials;
  3. Labour, including the effect of the learning curve.
- Explain and discuss the manipulation issues involved in revising budgets.

**Topic 5: Performance analysis and behavioural aspects**

- Analyse and evaluate past performance using the results of variance analysis.
- Use variance analysis to assess how future performance of an organisation or business can be improved.
- Identify the factors which influence behaviour.
- Discuss the issues surrounding setting the difficulty level for a budget.
- Discuss the effect that variances have on staff motivation and action.
- Explain the benefits and difficulties of the participation of employees in the negotiation of targets.

**Brief explanation of the sales mix and yield**

**Formative Assessment**

Multiple choice questions

**Lecture Presentation – Topic 4**

Planning and operational variances explained.

**Seminar Activity**

Collate into categories those costs which could be considered as adjusting, with supporting justification.

**Formative Assessment**

Numerical question to practise process

**Seminar Activity**

Group task: Following numerical calculations discuss appropriate responses to the issues, and potential negative behavioural consequences.

Covered via earlier group tasks and by session 6 homework.
- Describe the dysfunctional nature of some variances in the modern environment of JIT and TQM.
- Discuss the behavioural problems resulting from using standard costs in rapidly changing environments.

**Seminar Activity**
Research and present an assessment of the application of variance analysis in a modern environment.
Consider how responsive variance analysis would be in a modern environment.

**Homework**
Research Toyota, specifically the techniques they have developed to enhance their management accounting function and the purpose behind the techniques.

Attempt further question practice on variance calculations.
Read Chapter 13 from the ACCA F5 study text regarding behavioural aspects.

**Preparation for the next session:**
Research the financial information for the local authority and identify how its performance is measured.
Research the performance of a private sector, profitable organisation and assess its performance.
Produce a summary of the differences between the organisations.

<table>
<thead>
<tr>
<th>Reading Week</th>
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</thead>
<tbody>
<tr>
<td><strong>At the end of this session you will be able to</strong></td>
</tr>
<tr>
<td><strong>Topic 1: Performance analysis in private sector organisations</strong></td>
</tr>
<tr>
<td>- Describe, calculate and interpret financial performance indicators (FPIs) for profitability, liquidity and risk in both manufacturing and service businesses. Suggest methods to improve these measures.</td>
</tr>
<tr>
<td>- Describe, calculate and interpret non-financial performance indicators (NFPIs) and suggest</td>
</tr>
</tbody>
</table>

| Lecture Presentation – Topic 1 |
| Technical review of the calculations involved. |

| Formative Assessment |
| Multiple choice questions |

| Seminar Activity |

### Advanced Diploma in Accounting and Finance [ACCA]

#### Performance Management

*Case study accounts, group task to assess financial performance and present findings to group. Considering any limitations of the calculations performed and further information required.*

### Lecture Presentation – Other techniques

*Overview of techniques.*

### Seminar Activity

*Research task into companies applying these techniques. Present findings to the group.*

### Seminar Activity

*Individual task – apply each technical to a case study example and identify suitable performance measures under each.*

---

### Topic 2: Performance analysis in not for profit organisations and the public sector

- Comment on the problems of having non-quantifiable objectives in performance management.
- Explain how performance could be measured in this sector.
- Comment on the problems of having multiple objectives in this sector.
- Outline Value for Money (VFM) as a public sector objective.

### Lecture Presentation – Topic 2

*Overview of key issues for NFPO’s and methods to evaluate performance.*

### Seminar Activity

*Tutor resource task, comparisons of schools.*

### Seminar Activity

*Interpret the performance of the case study using suitable measures.*

---

### Topic 3: External considerations and behavioural aspects

- Explain the need to allow for external considerations in performance management, including stakeholders, market conditions and allowance for competitors.
- Suggest ways in which external considerations could be allowed for in performance management.
- Interpret performance in the light of external considerations.

### Seminar Activity

*Group Activity: Brainstorm the key stakeholders within an organisation and identify appropriate performance measures.*
Identify and explain the behaviour aspects of performance management.

Technical reading to be completed as homework.

**Homework**
Read technical articles on other performance measurement techniques.

Read chapter 15 in the ACCA F5 Study manual with reference to informational needs, external considerations, and security.

Prepare revision resources for the ratios calculations in session 7.

Complete all further assessment practice.

**Preparation for the next session:**
Read chapter 14 in the ACCA F5 study text, regarding MIS systems.

---

**Session 8**

At the end of this session you will be able to:

**Topic 1: Performance management information systems**

- Identify the accounting information requirements and describe the different types of information systems used for strategic planning, management control and operational control and decision-making.
- Define and identify the main characteristics of transaction processing systems; management information systems; executive information systems; and enterprise resource planning systems.
- Define and discuss the merits of, and potential problems with, open and closed systems with regard to the needs of performance management.

Recap quiz – covering session 7

**Lecture Presentation – Topic 1**
Overview of different systems which could be adopted and the purpose of each.

**Formative Assessment**
Multiple choice questions on the technical aspects of the systems.

**Seminar Activity**
Individual research to find an example of each system and a company using the system.

**Seminar Activity**
Draft letter to a financial director explaining the different systems available and the benefits of each.
<table>
<thead>
<tr>
<th>Sources of management information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the principal internal and external sources of management accounting information.</td>
</tr>
<tr>
<td>Demonstrate how these principal sources of management information might be used for control purposes.</td>
</tr>
</tbody>
</table>

Role play activity to then discuss the key elements within the letter.

**Seminar activity**
Research into the ONS including sources of information and types of data gathered.

**Formative assessment**
Complete detailed question incorporating the issues covered.

**Homework**
Make revision notes on the MIS systems.

**Formative assessment – Assessment 2**
(To be debriefed in Session 9)

**Preparation for the next session:**
Read chapter 17 in the study text.

---

**Session 9**

At the end of this session you will be able to

**Topic 1: Divisional performance and transfer pricing**

- Explain and illustrate the basis for setting a transfer price using variable cost, full cost and the principles behind allowing for intermediate markets.
- Explain how transfer prices can distort the performance assessment of divisions and decisions made.

- Explain the meaning of, and calculate, Return on Investment

**Debrief of formative assessment 2 completed at home**

**Lecture Activity – Topic 1**
Explanation of the issues surrounding transfer pricing.

**Formative Assessment**
Multiple choice questions

**Formative Assessment**
Detailed numerical and discursive question covering a range of techniques.

**Seminar Activity**
Group session - Case study illustration, develop an argument for each pricing method and debate in class.
Considering any limitations of the calculations performed and further information required.
### Session 10

#### At the end of this session you will be able to

**Topic 1:** Understand the tools and techniques required for the summative assessment:
- Graphs and diagrams
- Calculations
- Narrative explanations

#### During the session:

**Seminar activities:**
Individually and in small groups prepare responses to a series of activities prepared by your lecturer, to demonstrate the skills required in the final summative assessment.

Lecturer led review of past assessments— to illustrate the skills and knowledge required in the summative assessment

#### Homework and preparation for the next session:

Continue with revision and review of topics covered throughout the course and the preparation of revision notes.

### REVISION

**Formative assessment steps**

**Completion of Mock Assessments**
In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas

### REVISION

**Formative assessment steps**

**Completion of Mock Assessments**
In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas

### ASSESSMENT

**Three hour unseen assessment**

(ROI) and Residual Income (RI), and discuss their shortcomings.

- Compare divisional performance and recognise the problems of doing so.

**Lecture Presentation – Topic 1**
Illustration of the calculations involved in divisional performance.

**Formative Assessment**
Multiple choice questions

**Formative Assessment**
Application and evaluation of division's performance within a scenario.

**Homework and preparation for the next session:**
Prepare revision summaries for session 9.
Complete multiple choice tests on session 9.
TAXATION

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
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<tbody>
<tr>
<td>Level</td>
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<tr>
<td>Credit Value</td>
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<td>Contact Hours</td>
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<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
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<tr>
<td>Module Leader</td>
<td>Mel Cassar</td>
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<tr>
<td>Pre-requisites</td>
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<td>Co-requisites</td>
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<td>Post-requisites</td>
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<td>Excluded Combinations</td>
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<td>External Accrediting Body</td>
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</table>

Introduction

The Taxation module introduces you to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation as they affect the activities of individuals and businesses. The module is jurisdictionally based in the UK, but considers international tax interaction of the UK with overseas jurisdictions.

You are introduced to the rationale behind – and the functions of – the tax system. The module then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self-employment, employment and investments, the corporation tax liability of individual companies and groups of companies, the national insurance contribution liabilities of both employed and self-employed persons, the value added tax liability of businesses, the chargeable gains arising on disposals of investments by both individuals and companies, and the inheritance tax liabilities arising on chargeable lifetime transfers and on death.

As this module encompasses the core areas of taxation in the UK, you should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.
Educational Aims

This module aims to:

- To develop knowledge and skills relating to the tax system as applicable to individuals, single companies, and groups of companies.

On successful completion of this module you should be able to:

- Explain the operation and scope of the tax system
- Explain and compute the income tax liabilities of individuals
- Explain and compute the corporation tax liabilities of individual companies and groups of companies
- Explain and compute the chargeable gains arising on companies and individuals
- Explain and compute the inheritance tax liabilities of individuals
- Explain and compute the effect of national insurance contributions on employees, employers and the self-employed
- Explain and compute the effects of value added tax on incorporated and unincorporated businesses
- Identify and explain the obligations of taxpayers and/or their agents and the implications of non-compliance

Learning Outcomes

After completing this module, you will be able to:

- Understand the general legal framework, and apply specific legal principles relating to business, including taxation legislation, as applicable to individuals, single companies and groups of companies
- Synthesise information given in a scenario and design appropriate solutions to taxation problems
- Apply specific legal principles relating to taxation to individuals and companies
- Understand the limitations of acquired knowledge of taxation issues and recognise the need to seek further specialist advice, where necessary
- Develop professional judgement through the discussion of taxation problems and scenarios
- Consider facts and draw appropriate conclusions about the taxation position of businesses and corporations

The table shows where the module learning outcomes above achieve the programme learning outcomes.

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<thead>
<tr>
<th></th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
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<tr>
<td>Knowledge and understanding</td>
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<td>Cognitive (thinking) skills</td>
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<td>Professional skills and attitudes</td>
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<td>Transferable skills</td>
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Mode of Assessment

This module is assessed through the completion of

One, three hour unseen examination.

In addition to the summative element, the module contains the following formative elements:

Formative Elements

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

Summative Element

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, three hour unseen assessment

The assessments are marked according to the Level 5 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

Indicative Reading

Core text

All reading materials to be used for the Finance Act to be covered by your course. The Finance Act used as the basis of the module will change with the calendar year.

BPP ACCA Paper F6 Taxation Study text
BPP ACCA Paper F6 Taxation Practice and Revision Kit
BPP ACCA Paper F6 Taxation Course Notes

Books and texts
Non-Essential Course reading Materials, to be used as directed by your lecturer for background reading and research:


Current legislation – choose from EITHER Tolley's Yellow and Orange tax handbooks, OR CCH parts 1 and 2 Your lecturer will advise the Finance Act to be covered.

Hardman's Tax Rates and Tables Your lecturer will advise the Finance Act to be covered.


Academic and Professional Articles
Your tutor will indicate when these articles are to be used within the course. Students will be strongly encouraged to use academic and professional articles to support their research and studies. These may also include articles extracted from the following sources, which are not exhaustive. Due to the nature of tax being a fast-moving, time-limited, area of academic study, the module leader will specify up-to-date academic reading for each cohort of the qualification, which will be relevant at that point in time.

British Tax Review
Taxation
Tax Adviser
Tax Journal
Academy of Accounting and Financial Studies Journal
Accounting Accountability and Performance
Accounting and Business Research
Accounting and Finance
Accounting and Taxation

Examples may include:

Hasseldine & Morris (2012) Corporate social responsibility and tax avoidance: A comment and reflection, Accounting Forum

James (2010) Humpty Dumpty’s guide to tax law: Rules, principles and certainty in taxation, Critical Perspectives on Accounting


Lethaby (2012) Aaronson’s GAAR, British Tax Review


INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

**Module Title:** Taxation

**Syllabus:**

**The UK tax system**
- The overall function and purpose of taxation in a modern economy
- Different types of taxes
- Principal sources of revenue law and practice
- Tax avoidance and tax evasion

**Income tax liabilities**
- The scope of income tax
- Income from employment
- Income from self-employment
- Property and investment income
- The comprehensive computation of taxable income and income tax liability
- The use of exemptions and reliefs in deferring and minimising income tax liabilities

**Corporation tax liabilities**
- The scope of corporation tax
- Taxable total profits
- The comprehensive computation of corporation tax liability
- The effect of a group corporate structure for corporation tax purposes
- The use of exemptions and reliefs in deferring and minimising corporation tax liabilities

**Chargeable gains**
- The scope of the taxation of capital gains
- The basic principles of computing gains and losses.
- Gains and losses on the disposal of movable and immovable property
- Gains and losses on the disposal of shares and securities
- The computation of capital gains tax payable by individuals
- The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets

**Inheritance tax**
• The scope of inheritance tax
• The basic principles of computing transfers of value
• The liabilities arising on chargeable lifetime transfers and on the death of an individual
• The use of exemptions in deferring and minimising inheritance tax liabilities
• Payment of inheritance tax

National insurance contributions
• The scope of national insurance
• Class 1 and Class 1A contributions for employed persons
• Class 2 and Class 4 contributions for self-employed persons

Value added tax
• The scope of value added tax (VAT)
• The VAT registration requirements
• The computation of VAT liabilities
• The effect of special schemes
• The obligations of taxpayers and/or their agents
• The systems for self-assessment and the making of returns
• The time limits for the submission of information, claims and payment of tax, including payments on account
• The procedures relating to compliance checks, appeals and disputes
• Penalties for non-compliance
## Advanced Diploma in Accounting and Finance [ACCA]

### Taxation

<table>
<thead>
<tr>
<th>Topic</th>
<th>Content</th>
<th>Learning and Teaching Strategy</th>
</tr>
</thead>
</table>
| **INDUCTION** | **Introduction to UK Tax** | Preparation for Session 1:  
**Key Reading:**  
- ACCA Taxation Study Text  
  - Introduction chapter |
| | At the end of this session you will be able to understand the purpose of taxation, and be able to distinguish the different taxes that exist to tax income, capital or transactions in the UK |
| | **Topic 1: The overall function and purpose of taxation in a modern economy** | |
| | - Describe the purpose (economic, social etc) of taxation in a modern economy. |
| | **Topic 2: Different types of taxes** | |
| | - Identify the different types of capital and revenue tax. |
| | - Explain the difference between direct and indirect taxation. |
| | **Topic 3: Principal sources of revenue law and practice** | |
| | - Describe the overall structure of the UK tax system. |
| | - State the different sources of revenue law. |
| | - Appreciate the interaction of the UK tax system with that of other tax jurisdictions. |
| | - Appreciate the need for double taxation agreements. |
| | **Topic 4: Tax avoidance and tax evasion** | |
| | - Explain the difference between tax avoidance and tax evasion, and the purposes of the General Anti-Abuse Rule (GAAR). |
| | - Explain the need for an ethical and professional approach. |

<table>
<thead>
<tr>
<th>Session 1</th>
<th><strong>INCOME TAX LIABILITIES</strong></th>
<th></th>
</tr>
</thead>
</table>
| **Topic 1:** The scope of income tax | **Lecture:** Lecture on how to calculate the income tax liability of an individual, including:  
- Exempt income  
- Gift aid  
- Jointly owned assets  
- Administrative aspects |
| - Explain how the residence of an individual is determined. | |
| **Topic 2:** Income from employment | **Workshop:** |
| - Recognise the factors that determine whether an engagement is treated as employment or self-employment. |
- Recognise the basis of assessment for employment income.
- Compute the income assessable.
- Recognise the allowable deductions, including travelling expenses.
- Discuss the use of the statutory approved mileage allowances.
- Explain the PAYE system.
- Identify P11D employees.
- Compute the amount of benefits assessable.
- Explain the purpose of a dispensation from HM Revenue & Customs.
- Explain how charitable giving can be made through a payroll deduction scheme.

Numerical exercises on calculation of income tax for individuals

**Topic 2:**
**Lecture:**
Watch an online lecture covering an introduction to employment income

**Workshop:**
Consideration of case law regarding the classification of individuals as employed or self-employed, including up-to-date academic articles exploring the difference between being employed and self-employed and an understanding of the drivers for taxpayers to adopt one or other status.

**Lecture:**
Lecture on further aspects of employment income:
- Allowable deductions
- Statutory mileage rates
- Further taxable and exempt benefits

**Topic 3:**
**Workshop:**
Numerical exercises on calculation of taxable employment income.

**Formative assessment**
Multiple-choice questions

**Homework:**
View the online lecture on the VLE concerning the PAYE system.

---

**Session 2**

**Topic 1: Property and investment income**
- Compute property business profits.
- Explain the treatment of furnished holiday lettings.
- Describe rent-a-room relief.
- Compute the amount assessable when a premium is received for the grant of a short lease.
- Understand how relief for a property business loss is given.

**Topic 1:**
**Lecture:**
Lecture on property income, savings income and dividend income, covering:
- Rental income
- Rent-a-room relief
- Lease premiums – income tax aspects
- Property business losses
- Tax payable on savings and dividend income
<table>
<thead>
<tr>
<th>Session 3</th>
<th>Income from self-employment (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic 1: Opening and Closing years:</td>
<td></td>
</tr>
<tr>
<td>- Recognise the relief that can be obtained for pre-trading expenditure.</td>
<td></td>
</tr>
</tbody>
</table>

| Workshop: | Numerical exercises on calculation of property income, savings income, and dividend income. |

**Topic 2:** The use of exemptions and reliefs in deferring and minimising income tax liabilities

- Explain and compute the relief given for contributions to personal pension schemes, using the rules applicable from 6 April 2011.
- Describe the relief given for contributions to occupational pension schemes, using the rules applicable from 6 April 2011.
- Explain how a married couple or a couple in a civil partnership can minimise their tax liabilities.

**Topic 2:** Lecture

Lecture on the income tax implications of investing in, and receiving pensions.

**Seminar:**
Discussion on the tax implications of a variety of methods to save for retirement – possible use of a case study to critically evaluate the options available e.g. private pension vs. state pension vs. ISA vs. property investment.

Academic articles to be sourced as background reading on the tax planning options of pension provision.

**Formative assessment:**
Multiple-choice question test

**Topic 3:** Income from self-employment

- Recognise the basis of assessment for self-employment income.
- Describe and apply the badges of trade.
- Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit.
- Compute the assessable profits using the cash basis for small businesses.
- Recognise the relief that can be obtained for pre-trading expenditure.

**Lecture:**
Lecture on basis period rules for existing businesses, including overlap profits.

**Workshop:**
Lecture on basis period rules for new unincorporated businesses, those ceasing to trade, and on a change of accounting date.
### Session 4

#### Income from self-employment (continued)

**Topic 1: Relief for trading losses**
- Understand how trading losses can be carried forward.
- Understand how trading losses can be claimed against total income and chargeable gains, and the restriction that can apply.
- Explain and compute the relief for trading losses in the early years of a trade.
- Explain and compute terminal loss relief.

**Topic 2: Partnerships and limited liability partnerships**
- Explain how a partnership is assessed to tax.
- Compute the assessable profits for each partner following a change in the profit sharing ratio.
- Compute the assessable profits for each partner following a change in the membership of the partnership.

<table>
<thead>
<tr>
<th>Numerical exercises on basis period rules</th>
</tr>
</thead>
</table>

**Numerical exercises on calculation of capital allowances**

**Topic 2:**

**Lecture:**
Introduction to what comprises plant and machinery, and calculation of plant and machinery capital allowances

**Tutorial:**
Work in small groups to use legislation and other resources to conceptualise the definition of plant & machinery for capital allowances purposes

**Workshop:**
Numerical exercises on calculation of capital allowances
### Session 5

**Advanced Diploma in Accounting and Finance [ACCA]**

**Taxation**

**Advanced Specialist Diploma in Taxation**

<table>
<thead>
<tr>
<th><strong>Topic</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>Describe the alternative loss relief claims that are available to partners.</td>
</tr>
<tr>
<td></td>
<td>Explain the loss relief restriction that applies to the partners of a limited liability partnership.</td>
</tr>
<tr>
<td><strong>NATIONAL INSURANCE CONTRIBUTIONS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 3:</strong> The scope of national insurance</td>
<td>Describe the scope of national insurance.</td>
</tr>
<tr>
<td><strong>Topic 4:</strong> Class 1 and Class 1A contributions for employed persons</td>
<td>Compute Class 1 NIC.</td>
</tr>
<tr>
<td></td>
<td>Compute Class 1A NIC. Excluded topics</td>
</tr>
<tr>
<td></td>
<td>The calculation of directors’ national insurance on a month by month basis.</td>
</tr>
<tr>
<td></td>
<td>Contracted out contributions.</td>
</tr>
<tr>
<td><strong>Topic 5:</strong> Class 2 and Class 4 contributions for self-employed persons</td>
<td>Compute Class 2 NIC.</td>
</tr>
<tr>
<td></td>
<td>Compute Class 4 NIC</td>
</tr>
<tr>
<td><strong>CHARGEABLE GAINS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Topic 1:</strong> The scope of the taxation of capital gains</td>
<td>Describe the scope of capital gains tax.</td>
</tr>
<tr>
<td></td>
<td>List those assets which are exempt.</td>
</tr>
<tr>
<td><strong>Topic 2:</strong> The basic principles of computing gains and losses.</td>
<td>Compute capital gains for both individuals and companies.</td>
</tr>
<tr>
<td></td>
<td>Calculate the indexation allowance available to companies.</td>
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<tr>
<td></td>
<td>Explain the treatment of capital losses for both individuals and companies</td>
</tr>
<tr>
<td></td>
<td>Explain the treatment of transfers between a husband and wife</td>
</tr>
<tr>
<td><strong>Topic 1, 2 and 3:</strong></td>
<td><strong>Lecture:</strong> on chargeable gains:</td>
</tr>
<tr>
<td></td>
<td>- chargeable assets</td>
</tr>
<tr>
<td></td>
<td>- chargeable disposals</td>
</tr>
<tr>
<td></td>
<td>- chargeable persons</td>
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<td></td>
<td>- basic proformas</td>
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<td></td>
<td>- Capital losses</td>
</tr>
<tr>
<td></td>
<td>- Husband and wife transfers</td>
</tr>
<tr>
<td></td>
<td>- Part disposals of assets</td>
</tr>
<tr>
<td></td>
<td>- Receipt of insurance proceeds</td>
</tr>
<tr>
<td><strong>Workshop activity:</strong></td>
<td>Numerical consolidation scenarios on capital gains tax calculations.</td>
</tr>
</tbody>
</table>

**Workshop:**

- LLPs
  - Numerical exercises on partnerships

**Seminar:**

- Lecture: on chargeable gains

**Workshop:**

- Lecture on the liability to class 1 and class 1A national insurance contributions for employed individuals and their employers, including administrative aspects.

- Numerical exercises on class 1 and class 1A national insurance, including the special rules for directors.

**Workshop activity:**

- Numerical consolidation scenarios on capital gains tax calculations.
Advanced Diploma in Accounting and Finance [ACCA]

Taxation

Topic 3: The computation of capital gains tax payable by individuals
Compute the amount of capital gains tax payable.

Topic 4: Gains and losses on the disposal of movable and immovable property
- Identify when chattels and wasting assets are exempt.
- Compute the chargeable gain when a chattel is disposed of.
- Calculate the chargeable gain when a wasting asset is disposed of.
- Compute the exemption when a principal private residence is disposed of.
- Calculate the chargeable gain when a principal private residence has been used for business purposes.
- Identify the amount of letting relief available when a principal private residence has been let out.

Topic 4: Lecture
Special chargeable gains rules:
- Chattels
- Principal private residence

Seminar activities:
Resource pack of scenarios to research and provide advice to client.
Case law research in relation to PPR and lettings relief, and group discussion critically exploring the fairness of this case law.

Session 6

Capital gains Tax (continued)

Topic 1: The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets
- Explain and apply entrepreneurs’ relief as it applies to individuals.
- Explain and apply rollover relief as it applies to individuals and companies.
- Explain and apply holdover relief for the gift of business assets.

Topic 1: Lecture introducing the topic of CGT business reliefs:
Entrepreneurs’ relief.
Holdover relief for gifts.
Replacement of business assets relief.

Seminar activity:
Prepare a briefing note to be used by junior staff in understanding the operation of entrepreneurs’ relief. Marked by peers.

Tutorials: Small group session
### Session 7

**E INHERITANCE TAX**

**Topic 1: The scope of inheritance tax**
- Describe the scope of inheritance tax.
- Identify and explain the persons chargeable.

**Topic 2: The basic principles of computing transfers of value**
- State, explain and apply the meaning of transfer of value, chargeable transfer and potentially exempt transfer.
- Demonstrate the diminution in value principle.
- Demonstrate the seven year accumulation principle taking into account changes in the level of the nil rate band.

**Topic 3: The liabilities arising on chargeable lifetime transfers and on the death of an individual**
- Understand the tax implications of chargeable lifetime transfers and compute the relevant liabilities.
- Understand the tax implications of transfers within seven years of death and compute the relevant liabilities.

**Topics 1 and 2:**

**Lecture:**
Lecture on the principles of inheritance tax:
- Chargeable persons
- Chargeable property
- Excluded property
- Exempt transfers
- Related property
- Seven year accumulation period
- Trusts
- Administrative aspects

**Lecture:**
Lecture on the calculation of inheritance tax payable on the occasion of a gift

**Workshop:**
Numerical exercises on lifetime inheritance tax payable

**Topic 2:**

**Lecture:**
Lecture on the calculation of the additional inheritance tax due on lifetime gifts made within seven years of the death of the donor.

**Workshop:**
Numerical exercises on death tax in relation to lifetime gifts.
### Topic 3: The use of exemptions in deferring and minimising inheritance tax liabilities
- Understand and apply the following exemptions:
  - small gifts exemption
  - annual exemption
  - normal expenditure out of income
  - gifts in consideration of marriage
  - gifts between spouses.

### Topic 4: Payment of inheritance tax
- Identify who is responsible for the payment of inheritance tax.
- Advise on the due date for payment of inheritance tax.

### CORPORATION TAX LIABILITIES

#### Topic 1: The scope of corporation tax
- Define the terms ‘period of account’, ‘accounting period’, and ‘financial year’.
- Recognise when an accounting period starts and when an accounting period finishes.
- Explain how the residence of a company is determined.

#### Topic 2: Taxable total profits
- Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit.
- Explain how relief can be obtained for pre-trading expenditure.
- Compute capital allowances (as for income tax).
- Compute property business profits.

#### Topics 1, 2 and 3:
Lecture on how to calculate taxable trading profits from accounting profits for a company, including property losses and how to calculate the corporation tax liability for a company, including administrative aspects.

#### Seminar activities
Numerical consolidation exercises – including how to deal with long periods of account

Lecture: definition of an associated company, and the tax implications thereof.
### Session 9

**Corporation tax (Continued)**

- **Topic 1: Corporation tax losses**
  - Understand how trading losses can be carried forward.
  - Understand how trading losses can be claimed against income of the current or previous accounting periods.
  - Recognise the factors that will influence the choice of loss relief claim.

- **Topic 2: Groups**
  - The effect of a group corporate structure for corporation tax purposes
  - Define an associated company and recognise the effect of being an associated company for corporation tax purposes.
  - Define a 75% group, and recognise the reliefs that are available to members of such a group.
  - Define a 75% capital gains group, and recognise the reliefs that are available to members of such a group.

**Topic 3: The comprehensive computation of corporation tax liability**

- Compute the corporation tax liability and apply marginal relief.
- Explain the implications of receiving franked investment income.

### Session 10

**G VALUE ADDED TAX**

- Explain the treatment of interest paid and received under the loan relationship rules.
- Explain the treatment of qualifying charitable donations.
- Explain how relief for a property business loss is given.
- Compute taxable total profits.

**Topic 1: Corporation tax losses for single companies:**

- **Lecture:** The rules for the uses of trading losses in single companies. Tax planning with losses.

- **Formative assessment**
  - Multiple Choice Test

**Topic 2: Group relief for losses:**

- **Lecture:** Explaining the definition of a loss relief group and the rules for group loss relief.
- **Seminar activities:** The use of simple worked examples to illustrate the rules.

**Capital gains tax groups:**

- **Lecture:** Defining a chargeable gains group and identifying the relevance of the gains group legislation to corporation tax questions:
  - No gain/no loss transfers
  - Transfers of gains and capital losses between group companies
  - Group rollover relief.
- **Workshop:** Students to attempt small worked example questions to identify how these rules would apply to a practical scenario.
### Topic 1: The scope of VAT
- Describe the scope of VAT.
- List the principal zero-rated and exempt supplies.

### Topic 2: The VAT registration requirements
- Recognise the circumstances in which a person must register for VAT.
- Explain the advantages of voluntary VAT registration.
- Explain the circumstances in which pre-registration input VAT can be recovered.
- Explain how and when a person can deregister for VAT.
- Explain the conditions that must be met for two or more companies to be treated as a group for VAT purposes, and the consequences of being so treated.

### Topic 3: The computation of VAT liabilities
- Explain how VAT is accounted for and administered.
- Recognise the tax point when goods or services are supplied.
- List the information that must be given on a VAT invoice.
- Explain and apply the principles regarding the valuation of supplies.
- Recognise the circumstances in which input VAT is non-deductible.
- Compute the relief that is available for impairment losses on trade debts.
- Explain the circumstances in which the default surcharge, a penalty for an incorrect VAT return, and default interest will be applied.
- Explain the treatment of imports, exports and trade within the European Union.

### Topic 4: The effect of special schemes

### Topics 1 and 2:
**Lecture:**
Online lecture on basics of VAT. including:
- classification of supplies,
- administrative aspects of VAT
- registration
- deregistration
- VAT groups

**Seminar activity:**
Reflection on the reasoning behind the classification of various supplies as standard/reduced/zero rated or exempt for VAT purposes.
Registration worked examples

### Topic 3
**Lecture:**
Lecture concerning the computational aspects of VAT
Lecture on overseas matters relating to the supply of goods and services, and opportunity for reflection on why the rules have been drafted this way.

**Workshop:**
Numerical exercises

### Topic 4:
- Describe the cash accounting scheme, and recognise when it will be advantageous to use the scheme.
- Describe the annual accounting scheme, and recognise when it will be advantageous to use the scheme.
- Describe the flat rate scheme, and recognise when it will be advantageous to use the scheme.

**Lecture:**
Lecture on VAT special schemes – the rules and advantages and disadvantages.

**Homework:**
Formative assessment questions

<table>
<thead>
<tr>
<th>Session 11</th>
<th>Consolidation and revision and formative assessment steps</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>In this session we will be revising and consolidating knowledge and understanding.</td>
</tr>
</tbody>
</table>

**Revision Clinic:**
Personal Tax Aspects: Completing questions from the Question bank to further consolidate your knowledge and apply your knowledge to realistic personal tax scenarios.

**Formative assessment**
- Mock assessment paper

<table>
<thead>
<tr>
<th>Session 12</th>
<th>Consolidation and revision and formative assessment steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In this session we will be revising and consolidating knowledge and understanding.</td>
</tr>
</tbody>
</table>

**Revision Clinic:**
Business Taxation: Completing questions from the Question bank to further consolidate your knowledge and apply your knowledge to realistic business scenarios.

**Formative assessment**
- Mock Assessment 2

| ASSESSMENT | Three hour unseen assessment |
FINANCIAL REPORTING

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
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</thead>
<tbody>
<tr>
<td>Level</td>
<td>6</td>
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<tr>
<td>Credit Value</td>
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<tr>
<td>Contact Hours</td>
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<tr>
<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Kevin Hayes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Related Modules</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-requisites</td>
<td>None</td>
</tr>
<tr>
<td>Co-requisites</td>
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</tr>
<tr>
<td>Post-requisites</td>
<td>None</td>
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<tr>
<td>Excluded Combinations</td>
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<tr>
<td>External Accrediting Body</td>
<td>ACCA</td>
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</tbody>
</table>

Introduction

This module aims to develop knowledge and skills in understanding and applying accounting standards and the theoretical framework in the preparation of financial statements of entities, including groups, and how to analyse and interpret those financial statements.

The financial reporting module assumes knowledge acquired in the earlier module, Financial Accounting, and develops and applies this further and in greater depth.

The module begins with the conceptual framework of accounting with reference to the qualitative characteristics of useful information and the fundamental bases of accounting introduced in the Financial Accounting module. It then moves into a detailed examination of the regulatory framework of accounting and how this informs the standard setting process.

The main areas of the module cover the reporting of financial information for single companies and for groups in accordance with generally accepted accounting principles and relevant accounting standards.

Finally, the module covers the analysis and interpretation of information from financial reports.

The module will also explore some of the theoretical bases underlying financial accounting and reporting, within the current international, regulatory context. Your understanding and appreciation of accounting concepts and theories will be extended through a deeper examination of accounting topics.
Educational Aims

This module aims to equip students to:

- Discuss and apply conceptual and regulatory frameworks for financial reporting
- Account for transactions in accordance with International accounting standards
- Critically analyse and interpret financial statements.
- Prepare and present financial statements for single entities and business combinations in accordance with International accounting standards
- Critically analyse current international practice in financial reporting
- Be aware of current academic debate in the area of financial reporting

Learning Outcomes

After completing this module, you will be able to:

- Prepare financial statements of entities, including groups of companies, using relevant financial information, accounting techniques and standards
- Critically analyse and interpret financial statements
- Select and apply appropriate accounting techniques for decision making and control
- Analyse and evaluate a range of information and deal with uncertain and ambiguous data, to prepare and present financial statements
- Understand the ethical responsibilities of professional accountants, and reflect on ethical dilemmas and potential solutions
- Solve complex accounting problems, which may include incomplete or ambiguous data.
- Solve problems through the identification of key issues, synthesis of information and analytical tools and the critical evaluation of a range of options
- Clearly and concisely communicate accounting and financial information to a wide range of audiences.

The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
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<tbody>
<tr>
<td>Knowledge and understanding</td>
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<td></td>
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<td>✓</td>
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<td>Cognitive (thinking) skills</td>
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<td>✓</td>
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<td>Professional skills and attitudes</td>
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<tr>
<td>Transferable skills</td>
<td>✓</td>
<td>✓</td>
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</table>

Mode of Assessment

This module is assessed through the completion of

One, three hour unseen examination.
In addition to the summative element, the module contains the following formative elements:

**Formative Elements**
This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

**Summative Element**

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, three hour unseen assessment

The assessments are marked according to the Level 6 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

**Indicative Reading**

**Core Text**
BPP ACCA Paper F7 Financial Reporting Study Text
BPP ACCA Paper F7 Financial Reporting Practice and Revision Kit
BPP ACCA Paper F7 Financial Reporting Course Notes

**Books and Texts for reference, to be used as directed by your lecturer:**
Ernst & Young (2013), International GAAP, John Wiley & Sons
IPSAS 1 https://www.ifac.org/sites/default/files/publications/files/A9_IPSAS_01_1.pdf

Company Financial Statements – used during the course
Marks and Spencer plc Annual Report 2013
J Sainsbury plc Annual Report 2013
http://www.j-sainsbury.co.uk/media/649393/j_sainsbury_ara_2013.pdf
Vodafone plc Annual Report 2013
http://www.vodafone.com/content/dam/vodafone/investors/annual_reports/Vodafone_Annual_Report_13.pdf
BSkyB plc Annual Report 2013
Rexam plc Annual Report 2012
Tui Travel plc Annual Report 2013

Academic & Professional Articles
Your tutor will indicate when these articles are to be used within the course.
Students will be strongly encouraged to use academic and professional articles to support their research and studies.

Collingwood, Sherman & Young (2003), Revenue recognition: what is a sale and when do you book it?, www.ftpress.com; 29 Aug
Smith, S., (2005), Read between the lines, FT.com, 16 September
These may also include articles extracted from the following sources, which are not exhaustive:
Harvard Business Review
Accountancy Age
Accountancy (UK)
British Accounting Review (UK)
Accounting and Business Research (UK)
Journal of Business Finance & Accounting (UK)
Journal of Financial Regulation and Compliance
Academy of Accounting and Financial Studies Journal
Accounting Accountability and Performance
Accounting and Business Research

Online Resources

Professional accounting bodies:
ICAEW – www.icaew.com
ACCA – www.accaglobal.com
CIMA – www.cimaglobal.com
CIPFA – www.cipfa.org.uk
ICAS – www.icas.org.uk

Regulators:
IASB – www.iasb.org
FASB – www.fasb.org
ASB – www.frc.org.uk/asb/
FRC – www.frc.org.uk
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: Financial Reporting

Syllabus:

- The conceptual and regulatory framework for financial reporting
  - The need for a conceptual framework and the characteristics of useful information
  - Recognition and measurement
  - Specialised, not-for-profit, and public sector entities
  - Regulatory framework
  - The concepts and principles of groups and consolidated financial statements

- Accounting for transactions in financial statements
  - Tangible non-current assets
  - Intangible assets
  - Impairment of assets
  - Inventory and biological assets
  - Financial instruments
  - Leasing
  - Provisions and events after the reporting period
  - Taxation
  - Reporting financial performance
  - Revenue
  - Government grants

- Analysing and interpreting financial statements
  - Limitations of financial statements
  - Calculation and interpretation of accounting ratios and trends to address users’ and stakeholders’ needs
  - Limitations of interpretation techniques

- Preparation of financial statements
  - Preparation of single entity financial statements
  - Preparation of consolidated financial statements including an
### Induction

**Before the course you will need to**
- Familiarise yourself with the material covered in the Financial Accounting Module

**Preparation for Session 1:**
- Review your notes from the earlier Financial Accounting Module.

### Session 1

**At the end of this session you will be able to:**


**The need for a conceptual framework and the characteristics of useful information**
- Describe what is meant by a conceptual framework of accounting.
- Discuss whether a conceptual framework is necessary and what an alternative system might be.
- Discuss what is meant by relevance and faithful representation and describe the qualities that enhance these characteristics.
- Discuss whether faithful representation constitutes more than compliance with accounting standards.
- Discuss what is meant by understandability and verifiability in relation to the provision of financial information.
- Discuss the importance of comparability and timeliness to users of financial statements.
- Discuss the principle of comparability in accounting for changes in its accounting policies.

**Recognition and measurement**
- Define what is meant by ‘recognition’ in financial statements and discuss the recognition criteria.
- Apply the recognition criteria to:

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**Topic 1**

**Lecture**
- Introductory lecture covering:
  - GAAP
  - Conceptual Framework
  - Regulatory Framework

**Preparation for seminar**
- Students to undertake independent research on principles vs rules based accounting systems and the convergence project between IFRS and US GAAP.

**Seminar**
- Students to work in small groups to prepare and present findings of independent research.
| i) assets and liabilities.  
| ii) income and expenses |
|---|---|
| c) Explain the following measures and compute amounts using:  
| i) historical cost  
| ii) fair value/current cost  
| iii) net realisable value  
| iv) present value of future cash flows.  
|---|---|
| Discuss the advantages and disadvantages of the use of historical cost accounting.  
| Discuss whether the use of current value accounting overcomes the problems of historical cost accounting.  
| Describe the concept of financial and physical capital maintenance and how this affects the determination of profits.  
| Specialised, not-for-profit and public sector entities  
| Distinguish between the primary aims of not-for-profit and public sector entities and those of profit oriented entities.  
| Discuss the extent to which International Financial Reporting Standards (IFRSs) are relevant to specialised, not-for-profit and public sector entities.  
| sector entities.  
|---|---|

**Regulatory framework**

| Explain why a regulatory framework is needed also including the advantages and disadvantages of IFRS over a national regulatory framework.  
| Explain why accounting standards on their own are not a complete regulatory framework.  
| Distinguish between a principles based and a rules based framework and discuss whether they can be complementary.  
| Describe the IASB’s Standard setting process including revisions to and interpretations of Standards.  
|---|---|
- Explain the relationship of national standard setters to the IASB in respect of the standard setting process.

**TOPIC 2 ACCOUNTING FOR TRANSACTIONS IN FINANCIAL STATEMENTS:**

**Tangible non-current assets**

- Define and compute the initial measurement of a non-current (including a self-constructed and borrowing costs) asset.
- Identify subsequent expenditure that may be capitalised, distinguishing between capital and revenue items.
- Discuss the requirements of relevant accounting standards in relation to the revaluation of non-current assets.
- Account for revaluation and disposal gains and losses for non-current assets.
- Compute depreciation based on the cost and revaluation models and on assets that have two or more significant parts (complex assets).
- Discuss why the treatment of investment properties should differ from other properties.
- Apply the requirements of relevant accounting standards for investment property.

**Topic 2**

**Preparation for lecture**

Watch online lecture covering assumed knowledge from earlier studies.

**Lecture**

Lecture covering the key aspects of:

- IAS 16 Property Plant and Equipment – definition of PPE, initial recognition, subsequent measurement, revaluation, depreciation and disposal.
- IAS 40 Investment Property - definition of Investment Property, initial recognition, subsequent measurement, fair value and cost model, and complex assets.

**Seminar:** Students to work through a number of class exercises on property, plant and equipment and investment property.

**Additional work**

Complete additional questions set by your lecturer.

Review real life exam of Swatch Group in notes paying particular attention to property plant and equipment disclosure note.

Prepare for short formative assessment quiz at start of session 2.

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<table>
<thead>
<tr>
<th>Session 2</th>
<th>Formative assessment quiz on session 1 material.</th>
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<tr>
<td><strong>At the end of this session you will be able to:</strong></td>
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<tr>
<td><strong>Topic 1: Intangible non-current assets</strong></td>
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</tbody>
</table>
### Topic 1

**Preparation for the session:**
Students to watch assumed knowledge lecture on intangible assets.

**Lecture: IAS 38 Intangible Assets**
Definitions, initial and subsequent recognition, internally generated intangible assets, research and development expenditure, amortisation and impairment.

**Seminar:**
Students to work through a scenario question on intangible assets

**Additional work**
Question practice as directed by lecturer.

### Topic 2: Impairment of assets

**Topic 2**

**Lecture: IAS 36 Impairment**
Recoverable amount, impairment indicators, cash generating units and recognition of impairment losses.

**Seminar**
Question practice on impairment losses for individual assets and CGUs.

**Additional work**
Further reading from text on recoverable amount and examples of evidence of impairment.

Prepare for short formative assessment at the start of Session 3.

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<th>Session 3</th>
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<tr>
<td></td>
<td><strong>Topic 1; Inventory and biological assets</strong></td>
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</table>

Formative assessment on session 2 material.
### Topic 2: Provisions and events after the reporting period

- Explain why an accounting standard on provisions is necessary.
- Distinguish between legal and constructive obligations.
- State when provisions may and may not be made and demonstrate how they should be accounted for.
- Explain how provisions should be measured.
- Define contingent assets and liabilities and describe their accounting treatment.
- Identify and account for:
  - i) warranties/guarantees
  - ii) onerous contracts
  - iii) environmental and similar provisions
  - iv) provisions for future repairs or refurbishments.
- Events after the reporting period
  - i) distinguish between and account for adjusting and non-adjusting events after the reporting period
  - ii) Identify items requiring separate disclosure, including their accounting treatment and required disclosures

### Seminar:
Exercises on inventory valuation, biological assets, and provisions/contingent liabilities.

### Additional work
- Independent research on biological assets and current developments in IAS41.
- Prepare for formative assessment quiz at start of session 4.

### Session 4
At the end of this session you will be able to:

#### Topic 1: Revenue

- Apply the principle of substance over form to the recognition of revenue.
- Explain the importance of recording the commercial substance rather than the legal form of transactions – give examples where recording the

### Topic 1

#### Lecture: IAS2 Inventories and IAS41 Biological Assets
Covering inventory valuation, allowable costs, and net realisable value. Definition of biological assets, recognition and measurement.

#### Topic 2

Definitions, recognition, legal and constructive obligation, rules on recognition and measurement including treatment of onerous contracts, restructuring provisions, decommissioning and environmental costs, contingent liabilities, contingent assets.

#### Seminar:
Exercises on inventory valuation, biological assets, and provisions/contingent liabilities.

#### Additional work
- Complete questions set by class lecturer.
- Prepare for formative assessment quiz at start of session 4.

### Formative assessment on Session 3 topics.
legal form of transactions may be misleading.
- Describe the features which may indicate that the substance of transactions differs from their legal form.
- Apply the principle of substance over form to the recognition and derecognition of assets and liabilities.
- Recognise the substance of transactions in general, and specifically account for the following types of transaction:
  i) goods sold on sale or return/consignment inventory
  ii) sale and repurchase/leaseback agreements
  iii) factoring of receivables.
- Define a construction contract and discuss the role of accounting concepts in the recognition of profit.
- Describe the acceptable methods of determining the stage (percentage) of completion of a contract.
- Prepare financial statement extracts for construction contracts.

**Topic 2: Financial instruments**

- Explain the need for an accounting standard on financial instruments.
- Define financial instruments in terms of financial assets and financial liabilities.
- Indicate for the following categories of financial instruments how they should be measured and how any gains and losses from subsequent measurement should be treated in the financial statements:
  i) amortised cost
  ii) fair value (including option to elect to present gains and losses on equity instruments in other comprehensive income)
- Distinguish between debt and equity capital.

<table>
<thead>
<tr>
<th>goods, rendering of services and measurement of revenue.</th>
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<tbody>
<tr>
<td>Seminar: working in groups students will look at case studies involving substance over form issues.</td>
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<tr>
<td>Lecture 2: IAS 11 Construction contracts – definition, accounting treatment where outcome can/cannot be reliably estimated, disclosure requirements.</td>
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<tr>
<td>Seminar: Computational exercises on construction contracts.</td>
</tr>
<tr>
<td>Additional work: watch online lecture on IAS20 Government Grants.</td>
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</tbody>
</table>

**TOPIC 2**

Lecture: types of financial instruments, treatment of financial assets at fair value and amortised cost, classification of financial liabilities and equity instruments.

Seminar preparation: independent research on a FTSE 100 company of your choice regarding disclosure of financial instruments in financial statements.

Seminar: Numerical exercises on treatment of financial instruments.

Group discussion and feedback from independent research.

Review material in advance of short formative assessment at start of day 5.
### Session 5

**At the end of this session you will be able to:**

**Topic 1: Leasing**
- Explain why recording the legal form of a finance lease can be misleading to users (referring to the commercial substance of such leases).
- Describe and apply the method of determining a lease type (i.e., an operating or finance lease).
- Discuss the effect on the financial statements of a finance lease being incorrectly treated as an operating lease.
- Account for assets financed by finance leases in the records of the lessee.
- Account for operating leases in the records of the lessee.

**Topic 2: Taxation**
- Account for current taxation in accordance with relevant accounting standards.
- Explain the effect of taxable temporary differences on accounting and taxable profits.
- Compute and record deferred tax amounts in the financial statements.

**Formative assessment on session 4 topics. Review and debrief.**

**Topic 1**
**Lecture:** IAS17 Leasing – treatment of finance lease and operating lease including disclosure requirement, treatment of sale and leaseback transactions.

**Preparation for seminar**
Independent research on proposed treatment for leases and impact on international convergence project. Prepare no more than 5 PowerPoint slides summarising the main proposals.

**Seminar:** Question practice on leases. Presentations and discussion on current issues.

**Additional question practice as directed.**

**Topic 2**
**Lecture:** IAS12 Tax
Current tax, deferred tax including treatment of depreciable assets, revaluations, losses and presentation in the financial statements.

**Seminar:** Numerical exercises on deferred tax.

**Homework and preparation for the next session:** directed question practice and preparation for formative MCQ test on Leases and Taxation at start of session 6.

### Session 6

**At the end of this session you will be able to:**

**Formative assessment on Session 5 topics.**
<table>
<thead>
<tr>
<th>Topic 1: Earnings per share (eps)</th>
<th>Topic 1</th>
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<tbody>
<tr>
<td>• calculate the eps in accordance with relevant accounting standards (dealing with bonus issues, full market value issues and rights issues)</td>
<td>Lecture: IAS33 EPS – covering basic EPS calculation, changes in share capital in the year including treatment of bonus and rights issues, diluted EPS including treatment of convertible debt and share options.</td>
</tr>
<tr>
<td>• explain the relevance of the diluted eps and calculate the diluted eps involving convertible debt and share options (warrants)</td>
<td>Seminar: worked examples and guided question practice on EPS.</td>
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</table>

<table>
<thead>
<tr>
<th>Topic 2: Preparation of single entity financial statements</th>
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<tbody>
<tr>
<td>• Prepare an entity’s statement of financial position and statement of profit or loss and other comprehensive income in accordance with the structure prescribed within IFRS and content drawing on accounting treatments studied</td>
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<tr>
<td>• Prepare and explain the contents and purpose of the statement of changes in equity.</td>
<td>Lecture: The preparation of a set of financial statements including statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity.</td>
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<td>Seminar: accounts preparation questions incorporating all accounting standards covered to date.</td>
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<table>
<thead>
<tr>
<th>Reading Week</th>
<th>Additional work: Critically analyse the presentation and disclosure notes provided for the FTSE 100 company of your choice.</th>
</tr>
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<tbody>
<tr>
<td>Presentation of financial statements</td>
<td></td>
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<tr>
<td>• You need to be able to produce a set of financial statements, without the aid of a proforma.</td>
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<tr>
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<td>• For reading week, try writing out the main headings each day for ten minutes. Eventually, the proformas will become second nature.</td>
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<tr>
<th>Session 7</th>
<th>Formative assessment on session 6 topics.</th>
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<tr>
<td>At the end of this session you will be able to:</td>
<td>Topic 1</td>
</tr>
<tr>
<td>Topic 1: Reporting financial performance</td>
<td>Lecture: Reporting Financial Performance – covering IAS 8 Accounting policies, changes in accounting estimates and errors, IFRS5 Non-current assets held for sale and discontinued operations.</td>
</tr>
<tr>
<td>• Discuss the importance of identifying and reporting the results of discontinued operations</td>
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• Define and account for non-current assets held for sale and discontinued operations.
• Indicate the circumstances where separate disclosure of material items of income and expense is required.
• Account for changes in accounting estimates, changes in accounting policy and correction of prior period errors.

**Topic 2: The concepts and principles of groups and consolidated financial statements**

- Describe the concept of a group as a single economic unit.
- Explain and apply the definition of a subsidiary within relevant accounting standards.
- Identify and outline using accounting standards the circumstances in which a group is required to prepare consolidated financial statements as required by applicable accounting standards and other regulation.
- Describe the circumstances when a group may claim exemption from the preparation of consolidated financial statements.
- Explain why directors may not wish to consolidate a subsidiary and when this is permitted by accounting standards and other applicable regulation.
- Explain the need for using coterminous year ends and uniform accounting policies when preparing consolidated financial statements.
- Explain why it is necessary to eliminate intra group transactions.
- Explain the objective of consolidated financial statements.
- Explain why it is necessary to use fair values for the consideration for an investment in a subsidiary together with the fair values of a subsidiary's identifiable assets.

**Seminar:** preparation of financial statements including a discontinued operation.

**Additional work**—question practice as directed by tutor and review real life example of Fiat in notes.

**TOPIC 2**

**Lecture**—introduction to group accounting including definitions of control, significant influence and joint control.

**Seminar:** group discussion on consolidation aspects.

**Further work**—additional question practice as directed by lecturer.

Review of material in preparation for formative assessment in Session 8.
### Session 8

At the end of this session you will be able to:

**Topic 1: Preparation of consolidated financial statements including an associate**

- Prepare a consolidated statement of financial position for a simple group (parent and one subsidiary and associate) dealing with pre and post-acquisition profits, non-controlling interests and consolidated goodwill.
- Prepare a consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for a simple group dealing with an acquisition in the period and non-controlling interest.
- Explain and account for other reserves (e.g. share premium and revaluation reserves).
- Account for the effects of intra-group trading.
- Account for the effects of fair value adjustments (including their effect on consolidated goodwill) to:
  1. depreciating and non-depreciating non-current assets
  2. inventory
  3. monetary liabilities
  4. assets and liabilities not included in the subsidiary's own statement of financial position, including contingent assets and liabilities
  - Account for goodwill impairment.
  - Describe and apply the required accounting treatment of consolidated goodwill.

Short formative assessment on Session 7 topics.

**Topic 1**

*Lecture 1*: the preparation of the consolidated statement of financial position including the calculation of goodwill, retained earnings, other group reserves and non-controlling interest, intra company adjustments including provision for unrealised profit, fair value adjustments and intra-company balances.

*Seminar 1*: Question practice on statement of financial position.

*Lecture 2*: the preparation of the statement of profit or loss and other comprehensive income including mid-year acquisitions, goodwill impairment, intra-company transactions, provision for unrealised profit, fair value adjustments, and non-controlling interest.

*Seminar 2*: Statement of profit or loss and other comprehensive income question practice.

**Additional work**: complete additional questions as directed by your lecturer.

Prepare for short formative assessment quiz at the start of session 9.

### Session 9

At the end of this session you will be able to:

Short formative assessment on Session 8 material.
| Session 10 | **Lecture:** Definition of associate and significant influence, accounting treatment in statement of financial position and statement of comprehensive income and intercompany trading.  
**Seminar:** Guided question practice covering group with subsidiary and associate.  
**Additional work:** Question practice and preparation for next week’s revision and formative assessment session. |
| --- | --- |
| **Formative assessment session**  
**Topic 1 revision clinic: Group Accounts – Formative question and answer session**  
**Topic 2 Formative assessment: complete an exam in class and receive a debrief of the questions by your lecturer** |  
**Lecture:** revision of key topics covered to date  
**Seminar:** question practice of key areas.  
**Formative assessment:**  
1½ hour assessment in class.  
Full de-brief of paper from your lecturer. |
| **Session 11** | **Session 12**  
**At the end of this session you will be able to:**  
- Prepare a statement of cash flows for a single entity (not a group) in accordance with relevant accounting standards using the direct and the indirect method. | **At the end of this session you will be able to:**  
**ANALYSING AND INTERPRETING FINANCIAL STATEMENTS**  
**Topic 1: Limitations of financial statements**  
**TOPICS 1 & 2** | **Lecture:** covering key definitions, format of statement of cash flow under both indirect and direct method, analysis of cash flows from operations, investing and financing activities. Approach to cash flow statement.  
**Seminar:** Question practice on preparation of statement of cash flows.  
**Additional work:** Additional question practice as directed by your lecturer.  
Review for short formative assessment at start of session 12.  
**Short formative assessment Session 11 topics.** |
|  |  |  |  |
• Indicate the problems of using historic information to predict future performance and trends.
• Discuss how financial statements may be manipulated to produce a desired effect (creative accounting, window dressing).
• Explain why figures in a statement of financial position may not be representative of average values throughout the period for example, due to:
  i) seasonal trading
  ii) major asset acquisitions near the end of the accounting period.

**Topic 2: Calculation and interpretation of accounting ratios and trends to address users’ and stakeholders’ needs**

- Define and compute relevant financial ratios.
- Explain what aspects of performance specific ratios are intended to assess.
- Analyse and interpret ratios to give an assessment of an entity’s performance and financial position in comparison with:
  i) an entity’s previous period’s financial statements
  ii) another similar entity for the same reporting period
  iii) industry average ratios.
- Interpret an entity’s financial statements to give advice from the perspectives of different stakeholders.
- Discuss how the interpretation of current value based financial statements would differ from those using historical cost based accounts.

**Topic 3: Limitations of interpretation techniques**

- Discuss the limitations in the use of ratio analysis for assessing corporate performance.

**Seminar:** Group interpretation work using Heywood Bottles case study.

**Further work:** For a FTSE 100 company of your choice calculate 10 key ratios for both current year and prior year. Bring your findings to your next seminar for further discussion.
- Discuss the effect that changes in accounting policies or the use of different accounting policies between entities can have on the ability to interpret performance.
- Indicate other information, including non-financial information, that may be of relevance to the assessment of an entity's performance.
- Compare the usefulness of cash flow information with that of a statement of profit or loss or a statement of profit or loss and other comprehensive income.
- Interpret a statement of cash flows (together with other financial information) to assess the performance and financial position of an entity.
- Explain why the trend of eps may be a more accurate indicator of performance than a company's profit trend and the importance of eps as a stock market indicator.
- Discuss the limitations of using eps as a performance measure.

**Topic 4: Specialised, not-for-profit and public sector entities**

- Discuss the different approaches that may be required when assessing the performance of specialised, not-for-profit and public sector organisations.

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<td>REVISION Session 2</td>
<td>Formative assessment steps</td>
<td>Completion of Mock Assessments</td>
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<td>In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas</td>
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## REVISION

### Session 3

**Formative assessment steps**

**Completion of Mock Assessments**
In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas.

## ASSESSMENT

**3 hour unseen assessment**
AUID & ASSURANCE

General Information

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<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
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<td>Richard Baskeyfield</td>
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Introduction

The audit profession performs a critical role in the modern global economy. When auditors get things wrong it becomes headline news and can have a huge impact on a variety of stakeholders. Business history is littered with examples of corporate fraud, the best known of which is the Enron scandal. These frauds were perpetrated by criminal business professionals but they could not have succeeded without the failure, acquiescence or complicity of auditors. Getting the audit right is critical for the economy and the accounting and finance professions.

This module looks in depth at what it means to be an auditor in an audit professional services firm, the process of planning and performing audits to minimise the risk of audit failure, and starts to evaluates the major areas of current debate informing current and future professional practice.

After studying this module you will be able to set the audit firm in the context of the professional and ethical standards and the wider business world as well as understanding the commercial imperatives faced by the firm as it tries to flourish as a commercial entity in a competitive and highly regulated industry.

All accountants and financial professionals should have knowledge of the role and function of the audit profession, by delving into the detail of what auditors do this module will also give you the essential skills to perform audit work in a global context.
Educational Aims

This module aims to:

- To develop knowledge and understanding of the process of carrying out the assurance engagement and its application in the context of the professional regulatory framework.

By:

- Developing a critical awareness of the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement.
- Building an in-depth understanding of the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.
- Applying theoretical knowledge to business scenarios in order to be able to plan assurance engagements in accordance with the terms of the engagements and appropriate standards.
- Critiquing the quality and quantity of audit evidence in order to conclude and report on assurance engagements.

Learning Outcomes

After completing this module, you will be able to:

- Explain the legal and regulatory requirements surrounding assurance work including the standard setting processes.
- Discuss the feasibility of application of the key stages of the audit process and their implications for business.
- Articulate how contemporary issues in audit and assurance can impact on current practice and the significance of this for developments within the field.
- Critically evaluate a given scenario assessing the relevance and importance of professional and ethical issues placed before them.
- Apply knowledge to a given situation, comparing possible outcomes and proposing an appropriate solution in line with ethical and other regulatory frameworks.
- Communicate effectively in a professional environment.

The table shows where the module learning outcomes above achieve the programme learning outcomes.

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<td>Cognitive (thinking) skills</td>
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<td>Professional skills and attitudes</td>
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<td>Transferable skills</td>
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**Mode of Assessment**

This module is assessed through the completion of

One, three hour unseen assessment.

In addition to the summative element, the module contains the following formative elements:

**Formative Elements**

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

*Scope* is defined as the percentage of the syllabus being covered by a particular test; *complexity* is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The Assessment Ladder will test both knowledge and skills.

Please Note: These elements do not count towards your final module grade.

**Summative Element**

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, three hour unseen assessment

The assessments are marked according to the Level 6 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

**Indicative Reading**

**Core text**

BPP ACCA Study Text Paper F8 Audit and Assurance
BPP ACCA Practice and revision Kit Paper F8 Audit and Assurance
BPP ACCA Course Notes Paper F8 Audit and Assurance

The materials below will be used for reference, as directed by your lecturer.
Other Books and Texts

Services, 2nd ed, McGraw-Hill
IFAC Handbook of International Auditing Standards, 2010 (Available for download on IFAC
website - IAASB publications)
Corporate Governance and Accountability, 3rd edition, Chichester, John Wiley & Sons Ltd

Journal articles
Sika, P. (2009) "Financial crisis and the silence of the auditors", Accounting, Organisations and Society,
Businessweek, 26th June 2009, Bloomberg

Online Resources

Financial Times [http://www.ft.com]
Accountancy Age [http://www.accountancyage.com/]
Association of Chartered Certified Accountants [http://uk.accaglobal.com/]
Institute of Chartered Accountants in England and Wales [http://www.icaew.com/]
Institute of Chartered Accountants of Scotland [http://www.icas.org.uk/]
Chartered Institute of Public Finance and Accountancy [http://www.cipfa.org.uk/]
Financial Reporting Council (including Auditing Practices Board) [http://www.frc.org.uk/]
International Federation of Accountants [http://www.ifac.org/]
International Auditing and Assurance Standards Board [http://www.ifac.org/iaasb/]
Sarbanes Oxley Act 2002 [http://www.soxlaw.com/]
ACL Audit Exchange [http://www.acl.com/]
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: Audit and Assurance

Syllabus:

• Audit Framework and regulation:
  o The concept of audit and other assurance engagements
  o External audits
  o Corporate governance
  o Professional ethics
  o Internal audit and governance
  o The scope of the internal audit function, outsourcing and internal audit assignments

• Planning and risk assessment
  o Obtaining and accepting audit engagements
  o Objective and general principles
  o Assessing audit risks
  o Understanding the entity and its environment
  o Fraud, laws and regulations
  o Audit planning and documentation

• Internal control
  o Internal control systems
  o The use and evaluation of internal control systems by auditors
  o Tests of control
  o Communication on internal control

• Audit evidence
  o Financial statement assertions and audit evidence
  o Audit procedures
  o Audit sampling and other means of testing
  o The audit of specific items
  o Computer-assisted audit techniques
  o The work of others
  o Not-for-profit organisations

• Review and reporting
  o Subsequent events
  o Going concern
Advanced Diploma in Accounting and Finance [ACCA]  

Audit and Assurance

- Written representations
- Audit finalisation and the final review
- Audit reports

- Major current issues and developments
<table>
<thead>
<tr>
<th>Topic</th>
<th>Content</th>
<th>Learning and Teaching Strategy</th>
</tr>
</thead>
</table>
| **INDUCTION** | **Before the course you will need to** | **Preparation for Session 1:**  
**Online recording:** review module overview recorded by the Module Leader.  
**Key Reading:** ACCA Audit and Assurance Study Text Chapter 1. Contemporary reports linked to auditing and financial reporting as directed by the Module Leader.  
**Preparation Activity:** Short multiple choice test to be completed to test your understanding of the preparatory reading. |
|  |  
- Familiarise yourself with the concept of assurance.  
- Familiarise yourself with the concept of audit.  
- Understand the specific benefits of an audit.  
At the end of this session you will be able to:  
- Demonstrate an understanding of what assurance services are.  
**At the end of this session you will be able to:**  
**Topic 1: The concept of audit and other assurance engagements**  
- Identify and describe the objective and general principles of external audit engagements.  
- Explain the nature and development of audit and other assurance engagements.  
- Discuss the concepts of accountability, stewardship and agency.  
- Define and provide the objectives of an assurance engagement.  
- Explain the five elements of an assurance engagement.  
- Describe the types of assurance engagement.  
- Explain the level of assurance provided by an external audit and other review engagements and the concept of true and fair presentation.  
**Topic 2: External audits**  
- Describe the regulatory environment within which external audits take place.  
- Discuss the reasons and mechanisms for the regulation of auditors.  
- Explain the statutory regulations governing the appointment, rights, removal and resignation of auditors.  
- Explain the regulations governing the rights and duties of auditors.  
- Describe the limitations of external audits.  
**At the end of this session you will be able to:**  
**Preparation for the session:**  
Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.  
**During the session:**  
An Introductory group exercise where you audit the tutor (and are introduced to some of the auditing concepts)  
During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.  
Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.  
These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.  
**Homework and preparation for the next session:**  
Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.  
Reflect on the learning and activities you have done during the Session, post any thoughts you have in the 'Module Discussion forum' and ask any questions you may have for the Module Leader/Tutor to consider.  
Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any...
- Explain the development and status of International Standards on Auditing (ISAs).
- Explain the relationship between International Standards on Auditing and national standards.

**Topic 3: Corporate governance**
- Discuss the objectives, relevance and importance of corporate governance.
- Discuss the provisions of international codes of corporate governance (such as OECD) that are most relevant to auditors.
- Describe good corporate governance requirements relating to directors’ responsibilities (e.g. for risk management and internal control) and the reporting responsibilities of auditors.
- Analyse the structure and roles of audit committees and discuss their benefits and limitations.
- Explain the importance of internal control and risk management.
- Discuss the need for auditors to communicate with those charged with governance.

**Topic 4: Internal audit and governance, and the differences between external audit and internal audit**
- Discuss the factors to be taken into account when assessing the need for internal audit.
- Discuss the elements of best practice in the structure and operations of internal audit with reference to appropriate international codes of corporate governance.
- Compare and contrast the role of external and internal audit.

**Topic 5: The scope of the internal audit function, outsourcing and internal audit assignments**
- Discuss the scope of internal audit and the limitations of the internal audit function.
- Explain outsourcing.
- Explain the advantages and disadvantages of outsourcing the internal audit function.
- Discuss the nature and purpose of internal audit assignments including value for money, IT, financial, regulatory compliance, fraud investigations and customer experience.
- Discuss the nature and purpose of operational internal audit assignments.
- Describe the format and content of audit review reports and make appropriate recommendations to
### Session 2

**At the end of this session you will be able to:**

#### Topic 1: Professional ethics and ACCA’s Code of Ethics and Conduct
- Define and apply the fundamental principles of professional ethics of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
- Define and apply the conceptual framework, including the threats to the fundamental principles of self-interest, self-review, advocacy, familiarity, and intimidation.
- Discuss the safeguards to offset the threats to the fundamental principles.
- Describe the auditor’s responsibility with regard to auditor independence, conflicts of interest and confidentiality.

#### PLANNING AND RISK ASSESSMENT

##### Topic 2: Obtaining and accepting audit engagements
- Discuss the requirements of professional ethics in relation to the acceptance of new audit engagements.
- Explain the preconditions for an audit.
- Explain the process by which an auditor obtains an audit engagement.
- Justify the importance of engagement letters and their contents.
- Objective and general principles.
- Identify the overall objectives of the auditor and the need to conduct an audit in accordance with ISAs.
- Explain the need to plan and perform audits with an attitude of professional scepticism, and to exercise professional judgment.

##### Topic 2: Assessing audit risks
- Explain the components of audit risk.
- Explain the audit risks in the financial statements and explain the auditor’s response to each risk.
- Define and explain the concepts of materiality and performance materiality.

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**Preparation for the session:**
- Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.

**During the session:**
- During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.
- Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.
- These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.

**Homework and preparation for the next session:**
- Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.
- Reflect on the learning and activities you have done during the Session, post any thoughts you have in the ‘Module Discussion forum’ and ask any questions you may have for the Module Leader/Tutor to consider.
- Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any online recorded question debriefs made available).
- Complete the checkpoint 1 activities as set out in the ACCA Audit and Assurance course notes.
### Session 3

**At the end of this session you will be able to:**

<table>
<thead>
<tr>
<th>Topic 1: Audit planning and documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Identify and explain the need for and importance of planning an audit. [2]</td>
</tr>
<tr>
<td>b) Identify and describe the contents of the overall audit strategy and audit plan. [2]</td>
</tr>
<tr>
<td>c) Explain and describe the relationship between the overall audit strategy and the audit plan. [2]</td>
</tr>
<tr>
<td>d) Explain the difference between interim and final audit. [1]</td>
</tr>
<tr>
<td>e) Describe the purpose of an interim audit, and the procedures likely to be adopted at this stage in the audit. [2]</td>
</tr>
<tr>
<td>f) Describe the impact of the work performed during the interim audit on the final audit. [2]</td>
</tr>
<tr>
<td>g) Explain the need for, and the importance of, audit documentation. [1]</td>
</tr>
<tr>
<td>h) Describe the form and contents of working papers and supporting documentation. [2]</td>
</tr>
<tr>
<td>i) Explain the procedures to ensure safe custody and retention of working papers. [1]</td>
</tr>
</tbody>
</table>

**C INTERNAL CONTROL**

**Preparation for the session:**

*Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.*

**During the session:**

*During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.*

*Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.*

*These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.*

**Homework and preparation for the next session:**

*Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.*

*Reflect on the learning and activities you have done during the Session, post any thoughts you have in the ‘Module Discussion forum’ and ask any questions you may have for the Module Leader/Tutor to consider.*

*Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any...*
1. Internal control systems
   a) Explain why an auditor needs to obtain an understanding of internal control relevant to the audit. [1]
   b) Describe and explain the five components of internal control [2]
      i) the control environment
      ii) the entity’s risk assessment process,
      iii) the information system, including the related business processes, relevant to financial reporting, and communication
      iv) control activities relevant to the audit
      v) monitoring of controls

2. The use and evaluation of internal control systems by auditors
   a) Explain how auditors record internal control systems including the use of, narrative notes, flowcharts, internal control questionnaires and internal control evaluation questionnaires. [2]
   b) Evaluate internal control components, including deficiencies and significant deficiencies in internal control. [2]
   c) Discuss the limitations of internal control components [2]

D AUDIT EVIDENCE

1. Financial statement assertions and audit evidence
   a) Explain the assertions contained in the financial statements about: [2]
      i) Classes of transactions and events;
      ii) Account balances at the period end;
      iii) Presentation and disclosure
   b) Describe audit procedures to obtain audit evidence, including inspection, observation, external confirmation, recalculation, re-performance, analytical procedures and enquiry [2]
   c) Discuss the quality and quantity of audit evidence [2]
   d) Discuss the relevance and reliability of audit evidence

<table>
<thead>
<tr>
<th>Session 4</th>
<th>At the end of this session you will be able to</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preparation for the session:</td>
</tr>
<tr>
<td></td>
<td><strong>Topic 1: Tests of control</strong></td>
</tr>
</tbody>
</table>
• Describe computer systems controls including general IT controls and application controls
• Describe control objectives, control procedures, activities and tests of control in relation to:
  i) The sales system;
  ii) The purchases system
  iii) The payroll system
  iv) The inventory system
  v) The cash system
  vi) Non-current assets.

Topic 2: Communication on internal control
• Discuss and provide examples of how the reporting of significant deficiencies in internal control and recommendations to overcome those significant deficiencies are provided to management.

Topic 2: Audit procedures
• Discuss substantive procedures for obtaining audit evidence
• Discuss and provide examples of how analytical procedures are used as substantive procedures
• Discuss the problems associated with the audit and review of accounting estimates.
• Describe why smaller entities may have different control environments and describe the types of evidence likely to be available in smaller entities.
• Discuss the difference between tests of control and substantive procedure.

Topic 3: Audit sampling and other means of testing
• Define audit sampling and explain the need for sampling.
• Identify and discuss the differences between statistical and non-statistical sampling.
• Discuss and provide relevant examples of, the application of the basic principles of statistical sampling and other selective testing procedures.
• Discuss the results of statistical sampling, including consideration of whether additional testing is required.

Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.

During the session:
During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.
Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.
These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.

Homework and preparation for the next session:
Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.
Reflect on the learning and activities you have done during the Session, post any thoughts you have in the 'Module Discussion forum' and ask any questions you may have for the Module Leader/Tutor to consider.
Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any online recorded question debriefs made available).
Complete the checkpoint 2 activities as set out in the ACCA Audit and Assurance course notes.
### Session 5

#### At the end of this session you will be able to:

**Topic: The audit of specific items**
- For each of the account balances stated in this sub-capability, explain the audit objectives and the audit procedures in relation to:

**Topic 1: Receivables:**
- Direct confirmation of accounts receivable
- Other evidence in relation to receivables and prepayments, and
- Completeness and occurrence of sale.

**Topic 2: Inventory:**
- Inventory counting procedures in relation to year-end and continuous inventory systems
- Cut-off
- Auditor’s attendance at inventory counting
- Direct confirmation of inventory held by third parties,
- Valuation
- Other evidence in relation to inventory.

**Topic 3: Payables and accruals:**
- Supplier statement reconciliations and direct confirmation of accounts payable,
- Obtain evidence in relation to payables and accruals, and
- Purchases and other expenses.

### Preparation for the session:

Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.

### During the session:

During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge. Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them. These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.

### Homework and preparation for the next session:

Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader. Reflect on the learning and activities you have done during the Session, post any thoughts you have in the 'Module Discussion forum' and ask any questions you may have for the Module Leader/Tutor to consider.

Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any
**Topic 4: Bank and cash:**
- Bank confirmation reports used in obtaining evidence in relation to bank and cash.
- Other evidence in relation to bank and cash.
- Other evidence in relation to cash.

**Topic 5: Tangible and intangible non-current assets:**
- Evidence in relation to non-current assets and depreciation.
- Profit/loss on disposal.

---

**Reading**

At the end of this session you will be able to:

**Topic (Continued): The audit of specific items**
- For each of the account balances stated in this sub-capability:
- Explain the audit objectives and the audit procedures in relation to:

**Topic 1: Non-current liabilities, provisions and contingencies**
- Evidence in relation to non-current liabilities.
- Provisions and contingencies.

**Topic 2: Share capital, reserves and directors' emoluments:**
- Evidence in relation to share capital, reserves and directors' emoluments.

**REVIEW AND REPORTING**

**Topic 3: Subsequent events**
- Explain the purpose of a subsequent events review.
- Explain the responsibilities of auditors regarding subsequent events.
- Discuss the procedures to be undertaken in performing a subsequent events review.

**Topic 4: Going concern**
- Define and discuss the significance of the concept of going concern.
- Explain the importance of and the need for going concern reviews.
- Explain the respective responsibilities of auditors and management regarding going concern.
- Identify and explain potential indicators that an entity is not a going concern.

**Preparation for the session:**
- Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.

**During the session:**
- During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.
- Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.
- These sessions will also include master class segments whereby you will go through and practice the key skills required to undertake the assessment successfully.

**Homework and preparation for the next session:**
- Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.
- Reflect on the learning and activities you have done during the Session, post any thoughts you have in the 'Module Discussion forum' and ask any questions you may have for the Module Leader/Tutor to consider.
- Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any online recorded question debriefs made available).
- Complete the checkpoint 2 activities as set out in the ACCA Audit and Assurance course notes.
**Session 7**

**At the end of this session you will be able to:**

**Topic 1: Not-for-profit organisations**
- Apply audit techniques to not-for-profit organisations.

**Topic 2: Formative assessment opportunities:**
Guided formative assessment steps on topics from Sessions 1 to 6

**Preparation for the session:**
*Review the relevant Chapters of the ACCA Audit and Assurance Study Text as directed by the Module Leader.*

**During the session:**
*During the seminar we will be using the ACCA Audit and Assurance course notes and undertaking extension activities to revisit key areas of knowledge.*

*Those extension activities will include idea generation, group discussions and introducing you to exam standard questions from these topic areas and how to approach them.*

*These sessions will also include master class segments whereby you will go through and*
**Advanced Diploma in Accounting and Finance [ACCA]**

**Audit and Assurance**

<table>
<thead>
<tr>
<th>Session 8</th>
<th>Consolidation and revision</th>
<th>Consolidation and revision day with formative assessment steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A day of revision topics and formative assessment steps in preparation for the summative assessment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Session 9</th>
<th>Consolidation and revision</th>
<th>Consolidation and revision day with formative assessment steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A day of revision topics and formative assessment steps in preparation for the summative assessment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revision</th>
<th>Formative assessment step</th>
<th>Completion of Mock Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Three Hour Unseen Assessment</th>
<th>practice the key skills required to undertake the assessment successfully.</th>
</tr>
</thead>
</table>

**Homework and preparation for the next session:**

- Review and make notes from the relevant recorded online lectures for the Chapters covered in this session as directed by the Module Leader.
- Reflect on the learning and activities you have done during the Session, post any thoughts you have in the 'Module Discussion forum' and ask any questions you may have for the Module Leader/Tutor to consider.
- Attempt questions set from the ACCA Audit and Assurance Practice and Revision Kit as directed by the Module Leader (including reviewing any online recorded question debriefs made available).
FINANCIAL MANAGEMENT

General Information

<table>
<thead>
<tr>
<th>School</th>
<th>Business School</th>
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<tr>
<td>Level</td>
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<tr>
<td>Credit Value</td>
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<tr>
<td>Contact Hours</td>
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<td>Programme</td>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
</tr>
<tr>
<td>Module Leader</td>
<td>Mark Hewitson</td>
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<table>
<thead>
<tr>
<th>Related Modules</th>
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<tbody>
<tr>
<td>Pre-requisites</td>
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</tr>
<tr>
<td>Co-requisites</td>
<td>None</td>
</tr>
<tr>
<td>Post-requisites</td>
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</tr>
<tr>
<td>Excluded Combinations</td>
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<td>Excluded Combinations</td>
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<tr>
<td>Excluded Combinations</td>
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</tbody>
</table>

| External Accrediting Body    | ACCA                          |

Introduction

The syllabus for the Financial Management module is designed to equip you with the skills that would be expected from a finance manager responsible for the finance function of a business.

The module, therefore, starts by introducing the role and purpose of the financial management function within a business. Before looking at the three key financial management decisions of investing, financing, and dividend policy, the module explores the economic environment in which such decisions are made.

The next section of the module is the introduction of investing decisions. This is done in two stages - investment in (and the management of) working capital and the appraisal of long-term investments.

The next area introduced is financing decisions. This section of the module starts by examining the various sources of business finance, including dividend policy and how much finance can be raised from within the business. It also looks at the cost of capital and other factors that influence the choice of the type of capital a business will raise.

The principles underlying the valuation of business and financial assets, including the impact of cost of capital on the value of business, is covered next.

The module finishes with an introduction to, and examination of, risk and the main techniques employed in the management of such risk.
Educational Aims

This module aims to:

- Develop the knowledge and skills expected of a finance manager, in relation to investment, financing, and dividend policy decisions.

On successful completion of this module you should be able to:

- Discuss the role and purpose of the financial management function
- Assess and discuss the impact of the economic environment on financial management
- Discuss and apply working capital management techniques
- Carry out effective investment appraisal
- Identify and evaluate alternative sources of business finance
- Discuss and apply principles of business and asset valuations
- Explain and apply risk management techniques in business.

Learning Outcomes

After completing this module, you will be able to:

- Apply financial management techniques to issues affecting investment, financing and dividend policy decisions of an organisation.
- Evaluate and comment on the performance and financial situation of organisations using a range of interpretative techniques.
- Select and apply appropriate accounting and financial management techniques to organisational business planning, decision-making and control
- Understand the limitations of accounting techniques and the implications of such limitations
- Communicate analysis of accounting and financial information and recommendations to a variety of different audiences
- Solve problems through the identification of key issues, synthesis of information and analytical tools, and the presentation and critical evaluation of a range of options.
- Clearly communicate complex ideas and arguments, to professionally advise or influence specialist and non specialist audiences in their decision making processes
The table shows where the module learning outcomes above achieve the programme learning outcomes.

<table>
<thead>
<tr>
<th></th>
<th>Learning Outcome 1</th>
<th>Learning Outcome 2</th>
<th>Learning Outcome 3</th>
<th>Learning Outcome 4</th>
<th>Learning Outcome 5</th>
<th>Learning Outcome 6</th>
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<tbody>
<tr>
<td>Knowledge and understanding</td>
<td></td>
<td></td>
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<tr>
<td>Cognitive (thinking) skills</td>
<td></td>
<td>✓</td>
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<td>Professional skills and attitudes</td>
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<td>Transferable skills</td>
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</tbody>
</table>

Mode of Assessment

This module is assessed through the completion of
One, three hour unseen assessment.

In addition to the summative element, the module contains the following formative elements:

Formative Elements

This module adopts the achievement ladder strategy for formative assessment.

The achievement ladder will encompass a range of assessment methods including a variety of tests both online and in class through to group presentations. Each assessment will increase in scope and complexity as you move up the steps of the ladder. You will be informed at the beginning of the module what formative assessments you will be undertaking and when.

Scope is defined as the percentage of the syllabus being covered by a particular test; complexity is the style, layout, mark allocation of the test.

The summative assessment will be deemed to be 100% scope and complexity and therefore the last steps of the ladder aim towards this.

The achievement ladder will test both knowledge and skills

Please Note: These elements do not count towards your final module grade.

Summative Element

Please Note: You must achieve a pass in the following element(s) to pass the module.

One, three hour unseen assessment
The assessments are marked according to the Level 6 Marking Criteria contained in your programme handbook.

For the classification of your diploma (Distinction, Merit, Pass) the final module grades will be combined according to the Diagram of Outcomes Leading to Award, detailed in your programme handbook.

**Indicative Reading**

**Core texts:**

BPP ACCA Paper F9 Financial Management Study text  
BPP ACCA Paper F9 Financial Management Practice and Revision Kit  
BPP ACCA Paper F9 Financial Management Course Notes  

*The materials below will be used for reference, as directed by your lecturer.*

**Other Books and texts**


**Academic Journals**

Online Resources
FT Online: http://www.ft.com/home/uk
The Economist: http://www.economist.com/
Google Finance: http://www.google.co.uk/finance
Yahoo! Finance: http://uk.finance.yahoo.com/
ICAEW: www.icaew.com
INDICATIVE SCHEME OF WORK

In some instances information regarding content of module is indicative - actual module content will be determined according to considerations (for example, opportunities for work with specific external partners or new developments in the field) which are taken into account at the time of module delivery.

Module Title: Finance Management

Syllabus:

Financial management function
- The nature and purpose of financial management
- Financial objectives and relationship with corporate strategy
- Stakeholders and impact on corporate objectives
- Financial and other objectives in not-for-profit

Financial management environment
- The economic environment for business
- The nature and role of financial markets and institutions
- The nature and role of money market

Working capital management
- The nature, elements and importance of working capital
- Management of inventories, accounts receivable, accounts payable and cash
- Determining working capital needs and funding strategies

Investment appraisal
- Investment appraisal techniques
- Allowing for inflation and taxation in investment appraisal
- Adjusting for risk and uncertainty in investment appraisal
- Specific investment decisions (lease or buy; asset replacement, capital rationing)

Business finance
- Sources of, and raising business finances
- Estimating the cost of capital
- Sources of finance and their relative costs
- Capital structure theories and practical considerations
- Finance for small and medium sized entities

Business valuations
- Nature and purpose of the valuation of
- business and financial assets
- Models for the valuation of shares
• The valuation of debt and other financial assets
• Efficient market hypothesis (EMH) and practical considerations in the valuation of shares

Risk management
• The nature and types of risk and approaches to risk management
• Causes of exchange rate differences and interest rate fluctuations
• Hedging techniques for foreign currency risk
• Hedging techniques for interest rate risk
### Topic: Before the course you will need to

**Familiarise yourself with the material covered in the Management Accounting Module**

### Session 1: Financial Management Function

**At the end of this session you will be able to:**

**Topic 1: The nature and purpose of financial management**
- Explain the nature and purpose of financial management.
- Explain the relationship between financial management and financial and management accounting.

**Topic 2: Financial objectives and the relationship with corporate strategy**
- Discuss the relationship between financial objectives, corporate objectives and corporate strategy.
- Identify and describe a variety of financial objectives, including:
  i) shareholder wealth maximisation
  ii) profit maximisation
  iii) earnings per share growth

**Topic 3: Stakeholders and impact on corporate objectives**
- Identify the range of stakeholders and their objectives
- Discuss the possible conflict between stakeholder objectives
- Discuss the role of management in meeting stakeholder objectives, including the application of agency theory.

### Learning and Teaching Strategy

**Preparation for Session 1:**
Review your notes from the earlier Management Accounting subjects. Specifically financial performance indicators, and performance indicators for a NFPO.

**Topic 1 & 2: Tutor Led Presentation:**
Explaining process of achieving the primary business objective from a financial perspective.

Class brainstorming activity – suggest some of the tasks completed by the financial and management accountant.

**Seminar Activity**
Investigate how two different organisations within the same industry maximise shareholder wealth. Present findings to the class.

**Seminar Activity**
Group task - using the case scenario evaluate achievement of the financial objective.

**Topic 3: Tutor Led activity**
Suggest possible objectives for each of the key stakeholder groups.

Group role play: Each play a different stakeholder and discuss and resolve any conflicts between the objectives identified.

**Lecture presentation**
Explanation of the agency theory, and methods of managing the problem.
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- Describe and apply ways of measuring achievement of corporate objectives including:
  i) Ratio analysis, using appropriate ratios such as return on capital employed, return on equity, earnings per share and dividend per share
  ii) Changes in dividends and share prices as part of total shareholder return

- Explain ways to encourage the achievement of stakeholder objectives, including:
  i) Managerial reward schemes such as share options and performance-related pay
  ii) Regulatory requirements such as corporate governance codes of best practice and stock exchange listing regulations

**Topic 4: Financial and other objectives in not-for-profit organisations**

- Discuss the impact of not-for-profit status on financial and other objectives.
- Discuss the nature and importance of Value for Money as an objective in not-for-profit organisations.
- Discuss ways of measuring the achievement of objectives in not-for-profit organisations.

**FINANCIAL MANAGEMENT ENVIRONMENT**

**Topic 5: The economic environment for business**

- Identify and explain the main macroeconomic policy targets.
- Define and discuss the role of fiscal, monetary, interest rate and exchange rate policies in achieving macroeconomic policy targets.
- Explain how government economic policy interacts with

- Discursive assessment to highlight understanding.
- Recap session: Ratio analysis (brought forward knowledge). Explain additional ratio – total shareholder return.

**Formative Assessment**

- Multiple choice questions to attempt individual ratios
- Further financial analysis of earlier case study. Development of conclusions previously drawn.
- Incorporated via agency theory

**Topic 4: Tutor led presentation**

- Recap from brought forward knowledge, overview of 3E’s. Brainstorming activity regarding examples of performance measures.
- Group task – identify similarities and differences between profit seeking and NFPOs performance measures.

**Topic 5 – economics**

- Basic knowledge required only – covered via homework
planning and decision-making in business.

- Explain the need for, and the interaction with, planning and decision-making in business of:
  i) competition policy
  ii) government assistance for business
  iii) green policies
  iv) corporate governance regulation.

**Topic 6: The nature and role of financial markets and institutions**
- Identify the nature and role of money and capital markets, both nationally and internationally.
- Explain the role of financial intermediaries.
- Explain the functions of a stock market and a corporate bond market.
- Explain the nature and features of different securities in relation to the risk/return trade-off.

**Topic 7: The nature and role of money market**
- Describe the role of the money markets in:
  i) Providing short-term liquidity to industry and the public sector
  ii) Providing short-term trade finance
  iii) Allowing an organisation to manage its exposure to foreign currency risk and interest rate risk.
- Explain the role of banks and other financial institutions in the operation of the money markets.
- Explain the characteristics and role of the principal money market instruments:
  i) Interest-bearing instruments
  ii) Discount instruments
  iii) Derivative products.

Lecture presentation
Key terminology defined, provides a structure for areas developed later in the course.

Formative assessment
Multiple choice questions to reinforce terminology

Additional homework task
**Session 2**

**WORKING CAPITAL MANAGEMENT**

At the end of this session you will be able to:

**Topic 1: The nature, elements and importance of working capital**
- Describe the nature of working capital and identify its elements.
- Identify the objectives of working capital management in terms of liquidity and profitability, and discuss the conflict between them.
- Discuss the central role of working capital management in financial management.

**Topic 2: Management of inventories, accounts receivable, accounts payable and cash**
- Explain the cash operating cycle and the role of accounts payable and accounts receivable.
- Explain and apply relevant accounting ratios, including:
  1) Current ratio and quick ratio
  2) Inventory turnover ratio, average collection period and average payable period

**Understanding and knowledge test**
- Attempt achievement ladder step 1
- Multiple Choice Test – to identify areas of knowledge and understanding gained from session 1.

**Homework**
- Using the online learning environment and ACCA F9 study text make revision notes covering terminology from topics 6 & 7.
- Prepare revision cards with the accounting ratios to aid further learning.
- Complete all further multiple choice questions.

**Preparation for next session**
- Review stock management techniques from prior Management Accounting studies.

**Topic 1: Lecture Presentation:**
- Overview of working capital and key objectives.

**Seminar Activity**
- Group task – identify working capital management situations where decisions made would result in a conflict between the objectives.

**Topic 2: Lecture Presentation:**
- Diagram to illustrate the cash operating cycle. Tutor led example of calculations.

**Formative assessment**
- Multiple choice questions to practise calculations

**Seminar Activity**
<table>
<thead>
<tr>
<th>iii) sales revenue/net working capital ratio</th>
<th>Group task – evaluate the working capital management within specific tutor provided, real world examples. Presentation to class.</th>
</tr>
</thead>
</table>
| • Discuss, apply and evaluate the use of relevant techniques in managing inventory, including the Economic Order Quantity model and Just-In-Time techniques. | Lecture Presentation – Inventory management  
Recap of the TAC and EOQ formulae and example to show workings.  
Formative Assessment  
Multiple choice questions |
| | Formative assessment  
Detailed assessment activity to combine calculations. |
| | Lecture Presentation  
Overview of principles of JIT. |
| | Seminar Activity  
Individual research on companies who have applied the JIT concept.  
Group sharing of research completed by a brainstorming activity of the key benefits obtained by these organisations. |
| | Tutor led activity – Receivables & payables  
Mind mapping regarding how to improve receivable management. |
| | Lecture presentation  
Individual tutor led examples of the specific calculations, each followed by a formative assessment for practise. |
| | Formative Assessment  
Multiple choice questions |
| | Seminar Activity  
Research into debt factoring organisations, identify the functions provided.  
Group task – produce a summary of key merits and drawback of factoring. |
| | Tutor led activity  
Class task - identify the key problems with overseas trade, and possible resolutions. |
- Explain the various reasons for holding cash, and discuss and apply the use of relevant techniques in managing cash, including:
  i) preparing cash flow forecasts to determine future cash flows and cash balances
  ii) assessing the benefits of centralised treasury management and cash control
  iii) cash management models, such as the Baumol model and the Miller-Orr model
  iv) investing short-term

- Determining working capital needs and funding strategies
- Calculate the level of working capital investment in current assets and discuss the key factors determining this level, including:
  i) the length of the working capital cycle and terms of trade
  ii) an organisation's policy on the level of investment in current assets
  iii) the industry in which the organisation operates
- Describe and discuss the key factors in determining working capital funding strategies, including:
  i) the distinction between permanent and fluctuating current assets
  ii) the relative cost and risk of short-term and long-term finance
  iii) the matching principle
  iv) the relative costs and benefits of aggressive, conservative and matching funding policies
  v) management attitudes to risk, previous funding decisions and organisation size

Lecture presentation—cash
Explain key terminology and methods of predicting cash requirements.

Tutor led illustrations of all calculations and techniques.

Formative assessment
Group task—preparation of a cash budget and presentation regarding the implications of the values calculated

Formative assessment
Multiple choice questions for remaining techniques.

Seminar activity
Class debate arguing the case for each technique as a forecasting method.

Lecture Presentation
Diagram presentation of the strategies including key definitions.
Overview of principles of overtrading, including signs and symptoms.

Formative assessment
Multiple choice questions

Seminar Activity
Group task—research into industry average cash operating cycles and prepare a presentation regarding the length in relation to the industry.
### Session 3

**INVESTMENT APPRAISAL**

At the end of this session you will be able to:

**Topic 1: Investment appraisal techniques**
- Identify and calculate relevant cash flows for investment projects.
- Calculate payback period and discuss the usefulness of payback as an investment appraisal method.
- Calculate discounted payback and discuss its usefulness as an investment appraisal method.
- Calculate return on capital employed.
- (Accounting rate of return) and discuss its usefulness as an investment appraisal method.
- Calculate net present value and discuss its usefulness as an investment appraisal method.
- Calculate internal rate of return and discuss its usefulness as an investment appraisal method.
- Discuss the superiority of discounted cash flow (DCF) methods over non-DCF methods.
- Discuss the relative merits of NPV and IRR.

**Homework**
- Summarise key proformas and calculations for each element of working capital management.
- Review chapter 6 form the ACCA F9 study text, particularly section 3 on the treasury function.
- Complete all further multiple choice questions.

**Preparation for next session**
- Using online resources recap basic investment appraisal and time value of money principles.
- Review study text chapter 7 section 1 for an introduction.

**Recap quiz session 2**

**Topic 1: Lecture Presentation**
- Recap on relevant cash flows from management accounting modules.
- Explain each technique and illustration of the calculation.

**Seminar Activity**
- Groups to evaluate an investment opportunity by applying each technique.
- Group discussion regarding applications/limitations of the information calculated.

**Formative assessment**
- Multiple choice questions

**Seminar activity**
- Prepare a report to the board of directors explaining the principles of each
**Topic 2: Allowing for inflation and taxation in DCF**

- Apply and discuss the real-terms and nominal-terms approaches to investment appraisal.
- Calculate the taxation effects of relevant cash flows, including the tax benefits of capital allowances and the tax liabilities of taxable profit.
- Calculate and apply before- and after-tax discount rates.

**Investment appraisal technique, including the relative merits and relevance in decision making.**

**Tutor led presentation**

Explain the additional components within an NPV calculation, illustrate with a scenario.

**Formative assessment**

Multiple choice questions

Group task – complete a longer numerical illustration

**Homework**

Review topic covered in Session 3.
Complete remaining multiple choice tests on topics covered so far.
Summarise proforma for full NPV calculation for revision purposes.
Attempt full questions.

**Preparation for next session**

Ensure a thorough understanding of the topics covered in session 3 as these are developed further in session 4.
Review contribution and risk from Management Accounting studies.

**Session 4**

At the end of this session you will be able to;

**Topic 1: Adjusting for risk and uncertainty in investment appraisal**

- Describe and discuss the difference between risk and uncertainty in relation to probabilities and increasing project life.

**Recap quiz – session 3**

**Topic 1 Lecture Presentation**

Individual explanation of each technique followed by a tutor led example for each.

**Formative Assessment**

Group task – evaluate the risk of a decision provided applying all relevant techniques.
- Apply sensitivity analysis to investment projects and discuss the usefulness of sensitivity analysis in assisting investment decisions.
- Apply probability analysis to investment projects and discuss the usefulness of probability analysis in assisting investment decisions.
- Apply and discuss other techniques of adjusting for risk and uncertainty in investment appraisal, including:
  i) simulation
  ii) adjusted payback
  iii) risk-adjusted discount rates

**Topic 2: Specific investment decisions (Lease or buy; asset replacement; capital rationing)**
- Evaluate leasing and borrowing to buy using the before-and after-tax costs of debt.
- Evaluate asset replacement decisions using equivalent annual cost.
- Evaluate investment decisions under single-period capital rationing, including:
  i) the calculation of profitability indexes for divisible investment projects
  ii) the calculation of the NPV of combinations of non-divisible investment projects
  iii) a discussion of the reasons for capital rationing

**Session 5**

**BUSINESS FINANCE**

<table>
<thead>
<tr>
<th>Present finding to the class, highlighting any action to be taken given the information calculated.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formative assessment</strong></td>
</tr>
<tr>
<td>Individual task to calculate the sensitivity of a decision to all variables.</td>
</tr>
<tr>
<td><strong>Seminar activity</strong></td>
</tr>
<tr>
<td>Using sensitivity information research some practical responses to the risk areas. Role play scenario to present case regarding viability.</td>
</tr>
</tbody>
</table>

**Topic 2 Lecture Presentation**
- Individual explanation of each technique followed by a tutor led example for each.

**Formative assessment**
- Short answer assessments to practise techniques.

**Seminar activity**
- Group task - Present a solution to a given capital rationing scenario to the class, explaining appropriate action to be taken to reduce the problem.

**Formative assessment**
- Series of tasks covering session 4 topics.

**Homework:**
- Prepare revision summaries of the techniques
- Background reading: technical articles
- Review chapters 10 & 11 from the study text,
- Complete remaining questions

**Preparation for the next session:**
- Background reading from technical articles regarding Islamic finance.

**Recap assessment from session 4**
At the end of this session you will be able to:

**Topic 1: Sources of and raising business finance**

- Identify and discuss the range of short-term sources of finance available to businesses, including:
  1. overdraft
  2. short-term loan
  3. trade credit
  4. lease finance

- Identify and discuss the range of long-term sources of finance available to businesses, including:
  1. equity finance
  2. debt finance
  3. lease finance
  4. venture capital

- Identify and discuss methods of raising equity finance, including:
  1. rights issue
  2. placing
  3. public offer
  4. stock exchange listing

- Identify and discuss methods of raising short and long term Islamic finance including:
  1. Major difference between Islamic finance and the other forms of business finance.
  2. The concept of *riba* (interest) and how returns are made by Islamic financial securities.
  3. Islamic financial instruments available to businesses including

**Tutor led activity**

Class mind map activity regarding sources and benefits of short term finance.

**Lecture Presentation**

Explain methods of equity finance, including TERP example.

**Seminar Activity**

Prepare a memo which discusses the different methods to raise new shares, present an argument for or against. Debate in class.

**Tutor led illustration**

Each method of long term debt finance explained.

**Seminar Activity**

Individual research into traded finance and capital markets.

**Formative Assessment**

Multiple choice questions

**Seminar Activity**

Based on a case study recommend an appropriate source of finance and justify in full.

**Lecture presentation**

Overview of terminology.

**Seminar Activity**

Individual research into the size and nature of the Islamic Financial market.

**Formative Assessment**

Multiple choice questions
Seminar Activity
Role Play: teams arguing in favour of equity, debt, Islamic finance and retained earnings - argue the merits and convince the board on the best source of finance.

Lecture Presentation
Basic principles behind the dividend decision and influencing factors.

Seminar Activity
Report to board regarding change of dividend policy.

Seminar Activity
Research into M&M Dividend Theory.

Homework
Produce summaries of key considerations influencing the financing decision.
Review relevant ratios when making financing decision.
Read technical resources re Islamic Finance.
Read chapter 14 from the study text.

Preparation for the next session:
Review time value of money principles from session 3.
Briefly read chapter 15 for the study text.
## Advanced Diploma in Accounting and Finance [ACCA]

### Financial Management

**ii)** Explanation and discussion of systematic and unsystematic risk.

**iii)** Relationship between portfolio theory and the capital asset pricing model (CAPM)

**iv)** Application of the CAPM, its assumptions, advantages and disadvantages

- Estimating the cost of debt
  - irredeemable debt
  - redeemable debt
  - convertible debt
  - preference shares
- Estimating the overall cost of capital including
  - Distinguishing between average and marginal cost of capital
  - Calculating the weighted average cost of capital (WACC) using book value and market value weightings

<table>
<thead>
<tr>
<th>Topic 2: Sources of finance and their relative costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Describe the relative risk-return relationship and the relative costs of equity and debt.</td>
</tr>
<tr>
<td>- Describe the creditor hierarchy and its connection with the relative costs of sources of finance.</td>
</tr>
<tr>
<td>- Identify and discuss the problem of high levels of gearing</td>
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<tr>
<td>- Assess the impact of sources of finance on financial position, financial risk and shareholder wealth using appropriate measures, including:</td>
</tr>
<tr>
<td>- ratio analysis using statement of financial position gearing, operational and financial gearing, interest coverage ratio and other relevant ratios</td>
</tr>
<tr>
<td>- cash flow forecasting</td>
</tr>
<tr>
<td>- leasing or borrowing to buy</td>
</tr>
</tbody>
</table>

| • Cost of convertible debt |
| • Cost of preference shares |
| • Cost of a loan |

**Formative assessment**

Multiple choice questions following each element

**Lecture presentation**

Purpose and calculation of the WACC.

**Seminar activity**

Group task – combine the calculations and calculate the WACC.

Discuss the problems with each component of the calculation. Class discussion to collate a bank of problems with each technique.

**Formative assessment**

Full numerical assessment to practice technique.

**Seminar activity**

Write a report to management briefly explaining the key uses and limitations of the WACC model.

**Topic 2 – Lecture presentation**

Link between obtaining sources of finance and the impact on the cost of capital, including appropriate ratio calculations to financially assess the impact.

**Seminar Activity**

Using tutor resource example prepare a report with power point presentation regarding the impact of raising different sources of finance. Consider:

- Financial risk
- Impact on WACC
- Liquidity issues
- Cost
- Impact of cost of capital on investments including,
  i) The relationship between company value and cost of capital.
  ii) The circumstances under which WACC can be used in investment appraisal
  iii) The advantages of the CAPM over WACC in determining a project-specific cost of capital
  iv) Application of CAPM in calculating a project-specific discount rate.

<table>
<thead>
<tr>
<th>Lecture presentation</th>
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<tbody>
<tr>
<td>Detailed explanation regarding project specific cost of capital.</td>
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</table>

<table>
<thead>
<tr>
<th>Tutor led assessment</th>
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<tbody>
<tr>
<td>Showing the stages of the working</td>
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</table>

<table>
<thead>
<tr>
<th>Formative Assessment</th>
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</thead>
<tbody>
<tr>
<td>Practise of the technique and associated discussion.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Read Chapters 15 of the study text for further examples of the calculations.</td>
</tr>
<tr>
<td>Complete formative multiple choice question tests on the topics covered today.</td>
</tr>
<tr>
<td>Summarise calculations on revision quick reference cards.</td>
</tr>
<tr>
<td>Further practise to discuss the techniques applied.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preparation for next session</th>
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</thead>
<tbody>
<tr>
<td>Research Modigliani and Miller theories on capital structure for background knowledge.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reading Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use your time in reading week to consolidate the work done so far in the term. You should attempt questions recommended by your lecturer and note any areas of difficulty for review with your lecturer after reading week</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Session 7</th>
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<tbody>
<tr>
<td>At the end of this session you will be able to:</td>
</tr>
<tr>
<td>Topic 1: Capital structure theories and practical considerations</td>
</tr>
<tr>
<td>• Describe the traditional view of capital structure and its assumptions.</td>
</tr>
<tr>
<td>• Describe the views of Miller and Modigliani on capital structure,</td>
</tr>
<tr>
<td>Recap session 6 – brainstorming activity to revise all technical calculations</td>
</tr>
<tr>
<td>Topic 1 – Lecture presentation</td>
</tr>
<tr>
<td>Coverage of:</td>
</tr>
<tr>
<td>• Traditional theory</td>
</tr>
<tr>
<td>• M&amp;M without tax</td>
</tr>
<tr>
<td>• M&amp;M with tax</td>
</tr>
<tr>
<td>• Pecking order theory</td>
</tr>
</tbody>
</table>
both without and with corporate taxation, and their assumptions.

- Identify a range of capital market imperfections and describe their impact on the views of Miller and Modigliani on capital structure.
- Explain the relevance of pecking order theory to the selection of sources of finance.

**Seminar activity**
In groups – each take a theory and try to explain to the other members of the group. Then individually write a memo to a manager explaining the implications of each theory.

**Topic 2 – SME’s**
Class debate and brainstorming activity regarding the challenges an SME faces when obtaining finance.

**Seminar Activity**
Group research into government backed and other additional sources of finance for SME’s.
Present findings to the class.

**Seminar Activity**
Prepare some business advice, including a conclusion into the most appropriate source of finance for the case study provided.

**Homework and preparation for the next session:**
Review chapter 16 from the study text.
Revisit research into M&M to ensure understanding
Complete additional formative tasks.
Research into recent high profile company takeovers/acquisitions.

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<table>
<thead>
<tr>
<th>Session 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BUSINESS VALUATIONS</strong></td>
</tr>
<tr>
<td>At the end of this session you will be able to:</td>
</tr>
<tr>
<td><strong>Topic 1: Nature and purpose of the valuation of business and financial assets</strong></td>
</tr>
</tbody>
</table>

**Recap quiz session 7**

**Topic 1 – Lecture presentation**
Introduction in the purpose of valuing an organisation.
- Identify and discuss reasons for valuing businesses and financial assets.
- Identify information requirements for valuation and discuss the limitations of different types of information.

**Topic 2: Models for the valuation of shares**
- Asset-based valuation models, including:
  i) net book value (statement of financial position basis)
  ii) net realisable value basis.
  iii) net replacement cost basis.
- Income-based valuation models, including:
  i) price/earnings ratio method.
  ii) earnings yield method.
- Cash flow-based valuation models, including:
  i) dividend valuation model and the dividend growth model.
  ii) discounted cash flow basis.

**Topic 3: The valuation of debt and other financial assets**
- Apply appropriate valuation methods to:
  i) irredeemable debt
  ii) redeemable debt
  iii) convertible debt
  iv) preference shares

**Topic 4: Efficient Market Hypothesis (EMH) and practical considerations in the valuation of shares**
- Distinguish between and discuss weak form efficiency, semi-strong form efficiency and strong form efficiency

**Tutor led activity**
Brainstorm ideas regarding useful information and sources of information when trying to value an organisation.

**Topic 2 - Lecture Presentation**
Explain the purpose of having a variety of techniques and illustrate the calculation.

**Formative Assessment**
Multiple choice questions to practise techniques.

**Seminar Activity**
In two groups; 1 the target company and the other the predator company, prepare calculations and role play the process of agreeing a suitable company value.

**Seminar Activity**
Complete a discursive activity regarding the relative merits of each technique. Complete in groups.

**Topic 3 – Lecture presentation**
Illustration and background into other models.

**Formative Assessment**
Multiple choice questions.

**Seminar Activity**
Research the market values of other financial instruments and discuss the influences on these values.

**Topic 4 – Lecture Presentation**
Explain EMH including its uses in business valuations.

**Formative Assessment**
Tutor resource pack—respond to manager query regarding the implications to the
## Advanced Diploma in Accounting and Finance [ACCA]

### Session 9: RISK MANAGEMENT

At the end of this session you will be able to:

**Topic 1: The nature and types of risk and approaches to risk management**

- Describe and discuss different types of foreign currency risk:
  - i) translation risk
  - ii) transaction risk
  - iii) economic risk

- Describe and discuss different types of interest rate risk:
  - i) gap exposure
  - ii) basis risk

**Topic 2: Causes of exchange rate differences and interest rate fluctuations**

- Discuss practical considerations in the valuation of shares and businesses, including:
  - i) marketability and liquidity of shares
  - ii) availability and sources of information
  - iii) market imperfections and pricing anomalies
  - iv) market capitalisation

- Describe the significance of investor speculation and the explanations of investor decisions offered by behavioural finance

### Homework and preparation for the next session:

Read study text chapter 18 regarding behavioural finance.

Produce revision notes with the key formulae covered in session 8.

Review chapter 20 regarding Interest rate risk.

---

**Foreign Currency Risk**

**Topic 1 – Lecture presentation**

Overview regarding the reason for overseas expansion and the risk inherent with foreign currency.

Brief introduction into how to translate cash flows.

**Formative assessment**

Introductory questions to translate currency

**Topic 2 – Lecture Presentation**
• Describe the causes of exchange rate fluctuations, including:
  i) balance of payments
  ii) purchasing power parity theory
  iii) interest rate parity theory
  iv) four-way equivalence
• Forecast exchange rates using:
  i) purchasing power parity
  ii) interest rate parity
• Describe the causes of interest rate fluctuations, including:
  i) structure of interest rates and yield curves
  ii) expectations theory
  iii) liquidity preference theory
  iv) market segmentation

Topic 3: Hedging techniques for foreign currency risk
• Discuss and apply traditional and basic methods of foreign currency risk management, including:
  i) currency of invoice
  ii) netting and matching
  iii) leading and lagging
  iv) forward exchange contracts
  v) money market hedging
  vi) asset and liability management
• Compare and evaluate traditional methods of foreign currency risk management.
• Identify the main types of foreign currency derivatives used to hedge foreign currency risk and explain how they are used in hedging.

Topic 4: Hedging techniques for interest rate risk
• Discuss and apply traditional and basic methods of interest rate risk management, including:
  i) matching and smoothing
  ii) asset and liability management

Factors affecting movements in exchange rates, including the PPP and IRP formulae.

Formative Assessment
Forecasting exchange rate practise

Topic 3 – Tutor led presentation
Individual explanation for each method of managing risk, with an illustrative calculation where necessary, including:
- Internal techniques
- Forward
- Money Market hedge
- Future (discussion only)
- Option (discussion only)

Formative assessment
Multiple choice questions following each element

Formative Activity
Group task – advise on the most appropriate technique to manage risk in the scenario provided. Include calculations and an appreciation for the factors involved within the application of the technique.

Seminar Activity
Group task - Produce a key summary pack for use within an organisation which provides details of the key issues of currency risk management, and explains the impact of exchange rate fluctuations depending on exporter or importer.

Tutor led illustration
Brief explanation and illustration as to management of translation risk

Interest Rate Risk

Topic 1 & 2 – Lecture presentation
Overview regarding the risk which a business faces when interest rates move. Including an explanation of the yield curve.

Formative assessment
ii) forward rate agreements
- Identify the main types of interest rate derivatives used to hedge interest rate risk and explain how they are used in hedging.

<table>
<thead>
<tr>
<th>Revision and Consolidation</th>
<th>REVISION AND CONSOLIDATION DAY</th>
<th>A day of revision topics and formative assessment steps in preparation for the summative assessment</th>
</tr>
</thead>
<tbody>
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<td>REVISION AND CONSOLIDATION DAY</td>
<td>A day of revision topics and formative assessment steps in preparation for the summative assessment</td>
</tr>
</tbody>
</table>
| Revision and Consolidation | Formative assessment steps      | Completion of Mock Assessments  
In this session you will complete a practice assessment and have a full debrief of the practice assessment questions with your lecturer to identify any problem areas |
| ASSESSMENT                 | 3 hour unseen assessment        |                                                                                                 |
## MARKING CRITERIA

### Level 4 Assessment

<table>
<thead>
<tr>
<th>Criterion</th>
<th>PASS</th>
<th>70-79%</th>
<th>60-69%</th>
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<th>40-49%</th>
<th>30-39%</th>
<th>0-29%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge &amp; Understanding</strong></td>
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</tr>
<tr>
<td>(a) Systematic Understanding</td>
<td>(a) Thorough,</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
<td>(a)</td>
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</tr>
<tr>
<td></td>
<td>explicit knowledge &amp; understanding of the topic with some clear understanding of, and explicit links to, some aspects of a wider field of study.</td>
<td>good knowledge and understanding of central topic issues explicitly identified with some appreciation of, and explicit links to, a wider field of study.</td>
<td>evidence of a sound factual and/or conceptual knowledge base and the ability accurately to use appropriate terminology.</td>
<td>evidence of a limited ability to identify appropriate ideas, concepts and principles.</td>
<td>signs of an emerging knowledge and understanding of any of the central topic issues but unable always to select or apply them appropriately.</td>
<td>little knowledge or understanding of any of the central topic issues with numerous factual errors and use of a great deal of irrelevant material.</td>
<td></td>
</tr>
<tr>
<td>(b) Emerging thought</td>
<td>(b) Excellent usage of recent emerging thought and/or practices from a range of appropriate disciplines</td>
<td>application of recent emerging thought or practices from the discipline</td>
<td>some clear evidence of the understanding of the thoughts and practices related to the discipline indicated.</td>
<td>not clear or precise understanding of thoughts and practices related to the required discipline indicated.</td>
<td>significant gaps in the understanding of thoughts and practices related to the discipline related to the discipline indicated.</td>
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</tr>
<tr>
<td><strong>Argument</strong></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>(a) Analysis, Synthesis &amp; Evaluation</td>
<td>(a) Sustained and fully substantiated analysis including contrary perspectives.</td>
<td>high level of awareness and the questioning of assumptions.</td>
<td>ability to analyse drawing on a range of perspectives. Some questioning of assumptions.</td>
<td>some ability to analyse within guiding principles. Some evidence of critical thought.</td>
<td>largely descriptive but with some limited evidence of significant thought and with a growing awareness of assumptions.</td>
<td>generally descriptive and indecisive. May include generalisations, assumptions and illogical claims.</td>
<td>wholly descriptive and insignificant with many generalisations, assumptions and illogical claims.</td>
</tr>
<tr>
<td>(b) Numerical Analysis</td>
<td>(b) Numeric analysis that is complete and mostly free from</td>
<td>numeric analysis that is complete and</td>
<td>numeric analysis that is complete and</td>
<td></td>
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<tr>
<td>(c) Independent Research</td>
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<tr>
<td>Criterion</td>
<td>PASS</td>
<td>70-79%</td>
<td>60-69%</td>
<td>50-59%</td>
<td>40-49%</td>
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</tr>
<tr>
<td>from errors with application of methods that may be insightful or original</td>
<td>errors with fluent and appropriate application of methods.</td>
<td>complete and mostly free from errors with relevant and effective application of methods</td>
<td>mostly free from significant or critical errors with appropriate application of methods.</td>
<td>(b) Numeric analysis that is mostly complete but contains errors that have some limited effect, or methods that are not applied wholly appropriately</td>
<td>(b) Numeric analysis that is incomplete or contains errors which have critical effect, or methods that are applied inappropriately</td>
<td>irrelevant to the task set.</td>
<td></td>
</tr>
<tr>
<td>(c) Evidence of an innovative or original use of extensive personal research which has been thoroughly evaluated conceptually</td>
<td>(c) Substantial research and evidence of an innovative use of a wide range of personal research with clear and consistent evaluation conceptual</td>
<td>(c) Clear evidence of considerable personal research and the use of a diverse range of appropriate sources but may contain problems with consistency in the conceptual evaluation</td>
<td>(c) Appropriate use of a wide range of personal research which is critically evaluated for key conceptual issues although this may not be consistent throughout</td>
<td>(c) Evidence of a consistent argument but may have weaknesses or be unconvincing. Clear use of information gathered but may not be sufficient to sustain he argument.</td>
<td>(c) Over reliance on very restricted range of personal or secondary research much of which may not be evaluated and may not be directly related to the question or area</td>
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</tr>
<tr>
<td>(b) Numeric analysis is almost non-existent and also incorrect</td>
<td>(c) Generally only a very restricted range of personal research which is not evaluated and is not directly related to the question</td>
<td></td>
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</tr>
<tr>
<td>Presentation</td>
<td>(a) Excellent structure and presentation</td>
<td>(a) Good structure and presentation</td>
<td>(a) Adequate structure and presentation</td>
<td>(a) Adequate structure and presentation</td>
<td>(a) Poor structure and presentation</td>
<td>(a) Very poor standard of basic English. Much more care needed with language construction and checking of the text. Very imprecise/ non-</td>
<td></td>
</tr>
<tr>
<td>(b) Precise, full and appropriate references and notes.</td>
<td>(b) Full and appropriate references and notes with minor or insignificant errors</td>
<td>(b) Competent references and notes with multiple inconsistencies, errors or omissions</td>
<td>(b) Poor references and notes with multiple inconsistencies, errors or omissions</td>
<td>(b) Competent references and notes with multiple inconsistencies, errors or omissions</td>
<td>(b) Competent references and notes with multiple inconsistencies, errors or omissions</td>
<td>(b) Competent references and notes with multiple inconsistencies, errors or omissions</td>
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### Marking Criteria

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<th>Criterion</th>
<th>PASS 80-100%</th>
<th>PASS 70-79%</th>
<th>PASS 60-69%</th>
<th>PASS 50-59%</th>
<th>PASS 40-49%</th>
<th>PASS 30-39%</th>
<th>FAIL 0-29%</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) Subtle use of language expressing a high degree of thought with clarity and precision to a level appropriate for submission for publication.</td>
<td>(c) Precise use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
<td>(c) Clear and precise use of language allowing a complex argument to be easily understood and followed</td>
<td>(c) Generally clear use of language sufficient for arguments to be readily understood and followed</td>
<td>(c) Generally understandable use of language but significant errors in expression affecting overall clarity</td>
<td>(c) Serious errors in the use of language which makes meaning unclear or imprecise</td>
<td>academic writing style.</td>
<td>(b) Very limited or nil referencing with numerous errors and omissions</td>
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(Continued)
## Marking Criteria

### Level 5 Assessment Criteria

<table>
<thead>
<tr>
<th>Criterion</th>
<th>PASS (80-100%)</th>
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<th>60-69%</th>
<th>50-59%</th>
<th>40-49%</th>
<th>30-39%</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge &amp; Understanding</strong></td>
<td>(a) Deep knowledge of the topic, explicitly related to comprehensive knowledge of the discipline(s).</td>
<td>(a) Thorough, explicit knowledge &amp; understanding of the topic. Clear understanding of and explicit links to some aspects of a wider field.</td>
<td>(a) Very good knowledge and understanding of central topic issues explicitly identified. Some appreciation of and explicit links to a wider field.</td>
<td>(a) Good, increasingly explicit knowledge of central topic issues. Some appreciation of a wider field.</td>
<td>(a) Basic and often implicit knowledge of central topic issues. Partial understanding.</td>
<td>(a) Inadequate or poor knowledge or understanding of topic issues.</td>
<td>(a) Very poor knowledge or understanding of topic issues.</td>
</tr>
<tr>
<td><strong>Systematic Understanding</strong></td>
<td>(b) Excellent usage of recent emerging thought and/or practices from a range of appropriate disciplines</td>
<td>(b) Some application of recent emerging thought or practices from the discipline</td>
<td>(b) Clear evidence of an understanding of thoughts and practices at the forefront of the discipline</td>
<td>(b) Some clear evidence of the application of thoughts and practices related to the discipline indicated.</td>
<td>(b) Some evidence of the understanding and thoughts and practices related to the required discipline indicated.</td>
<td>(b) Not a clear or precise understanding of the thoughts and practices related to the discipline indicated.</td>
<td>(b) Significant gaps in the understanding of the practices indicated.</td>
</tr>
<tr>
<td><strong>Emerging Thought</strong></td>
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<tr>
<td><strong>Argument</strong></td>
<td>(a) High level of ability to analyse critically using a range of perspectives. Excellent synthesis of elements of the argument including contrary views.</td>
<td>(a) Can present a coherent critical argument demonstrating the ability to synthesise concepts, theories and practice in a critical argument.</td>
<td>(a) Can present a coherent significant argument demonstrating the ability to form a defensible judgement. Some use of contrasting perspectives.</td>
<td>(a) Can decisively analyse a limited range of information within minimum guidance. Can select analytical methods appropriate to the task.</td>
<td>(a) Some evidence of essential awareness but much reliance on description and some assumption. May be some difficulty in balancing and</td>
<td>(a) Work is descriptive and uncritical. Contains generalisations, unsubstantiated assertion and exaggeration.</td>
<td>(a) Work wholly descriptive and uncritical. Contains many generalisations, unsubstantiated assertions and exaggeration.</td>
</tr>
<tr>
<td><strong>a) Analysis, Synthesis &amp; Evaluation</strong></td>
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<tr>
<td><strong>b) Numerical Analysis</strong></td>
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<tr>
<td><strong>c) Argumentation</strong></td>
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<tr>
<td><strong>d) Independent Research</strong></td>
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<tr>
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<tr>
<td>(b) Numeric analysis that is complete and free from errors with application of methods that may be insightful or original</td>
<td>(b) Numeric analysis that is complete and mostly free from errors with fluent and appropriate application of methods.</td>
<td>(b) Numeric analysis that is complete and mostly free from errors with relevant and effective application of methods.</td>
<td>(b) Numeric analysis that is complete and mostly free from errors with significant or critical errors with appropriate application of methods.</td>
<td>(b) Numeric analysis that is incomplete or contains errors which have critical effect, or methods that are applied inappropriately</td>
<td>(b) Numeric analysis that is almost non-existent and also incorrect</td>
<td></td>
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<tr>
<td>(c) Extremely strong and consistent argument making a convincing whole with evidence of originality. Impressive ability in the use of information gathered to support the argument.</td>
<td>(c) Extremely strong and consistent argument that convincingly addresses issues including uncertainties and conflicts. Excellent use of information gathered which to support and further the argument.</td>
<td>(c) Evidence of an argument that is generally convincing with a good internal consistency and addresses most issues. Very good use of information gathered to support the argument.</td>
<td>(c) Evidence of an overall convincing argument but may have weaknesses, gaps or inconsistencies. Clear use of information gathered but may have some weaknesses in the integration into the argument.</td>
<td>(c) Evidence of a consistent argument but may have weaknesses, gaps or be unconvincing. Clear use of information gathered but may not be sufficient to sustain the argument.</td>
<td>(c) Lack of consistency or structure in the argument.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Evidence of an innovative or original use of extensive personal research which has been thoroughly evaluated conceptually</td>
<td>(d) Substantial research and evidence of an innovative use of a wide range of personal research with clear and consistent</td>
<td>(d) Clear evidence of considerable personal research and the use of a diverse range of appropriate sources but may contain problems.</td>
<td>(d) Appropriate use of a wide range of personal research which is critically evaluated for key conceptual issues although</td>
<td>(d) Evidence of a consistent argument but may have weaknesses or be unconvincing. Clear use of</td>
<td>(d) Generally only a very restricted range of personal research which is not evaluated and is not directly related to the question</td>
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<td>substantiating points.</td>
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## Advanced Diploma in Accounting and Finance [ACCA]

### Marking Criteria

<table>
<thead>
<tr>
<th>Criterion</th>
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</thead>
<tbody>
<tr>
<td><strong>Conceptual Evaluation</strong> with consistency in the conceptual evaluation</td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>This may not be consistent throughout</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>Information gathered but may not be sufficient to sustain</td>
<td>40-49%</td>
<td>30-39%</td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td><strong>a) Structure</strong></td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>(a) Excellent structure and presentation</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(b) Precise, full and appropriate references and notes</td>
<td>40-49%</td>
<td>30-39%</td>
</tr>
<tr>
<td>(c) Subtle use of language expressing a high degree of thought with clarity and precision to a level appropriate for submission for publication.</td>
<td>0-29%</td>
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<tr>
<td><strong>b) Referencing</strong></td>
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<td>70-79%</td>
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<tr>
<td>(a) Excellent structure and presentation</td>
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<td>50-59%</td>
</tr>
<tr>
<td>(b) Precise, full and appropriate references and notes</td>
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<td>30-39%</td>
</tr>
<tr>
<td>(c) Clear and precise use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td><strong>c) Use of Language</strong></td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>(a) Excellent structure and presentation</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(b) Precise, full and appropriate references and notes</td>
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<td>30-39%</td>
</tr>
<tr>
<td>(c) Subtle use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>(a) Adequate structure and presentation</td>
<td>80-100%</td>
</tr>
<tr>
<td>(b) Full and appropriate references and notes with minor or insignificant errors</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(c) Clear and precise use of language allowing a complex argument to be easily understood and followed</td>
<td>40-49%</td>
<td>30-39%</td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td>(a) Adequate structure and presentation</td>
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<td>70-79%</td>
</tr>
<tr>
<td>(b) Good references and notes with minor or insignificant errors or omissions</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(c) Generally clear use of language sufficient for arguments to be readily understood and followed</td>
<td>40-49%</td>
<td>30-39%</td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>0-29%</td>
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</tr>
<tr>
<td>(a) Adequate structure and presentation</td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>(b) Competent references and notes but may contain inconsistencies, errors or omissions</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(c) Generally understandable use of language but significant errors in expression affecting overall clarity</td>
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<td>30-39%</td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td>(a) Poor structure and presentation</td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>(b) Competent references and notes but may contain inconsistencies, errors or omissions</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(c) Generally understandable use of language but significant errors in expression affecting overall clarity</td>
<td>40-49%</td>
<td>30-39%</td>
</tr>
<tr>
<td><strong>Presentation</strong></td>
<td>0-29%</td>
<td></td>
</tr>
<tr>
<td>(a) Poor structure and presentation</td>
<td>80-100%</td>
<td>70-79%</td>
</tr>
<tr>
<td>(b) Very limited or nil referencing with numerous errors and omissions</td>
<td>60-69%</td>
<td>50-59%</td>
</tr>
<tr>
<td>(c) Extreme errors in use of language and an extreme lack of clarity</td>
<td>40-49%</td>
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## Marking Criteria

### Level 6 Assessment Criteria

<table>
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<tr>
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<th>30-39%</th>
<th>0-29%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge &amp; Understanding</td>
<td>(a) Very deep knowledge of the topic, explicitly related to comprehensive knowledge of the discipline(s). Evaluation and contribution to current knowledge</td>
<td>(a) Deep knowledge of the topic, explicitly related to comprehensive knowledge of the discipline(s). Evaluation of current knowledge</td>
<td>(a) Very good, thorough and explicit knowledge &amp; understanding of the topic. An appreciation of and explicit links to a wider field.</td>
<td>(a) Good knowledge and understanding of central topic issues, some explicitly identified. Some appreciation of a wider field.</td>
<td>(a) Some evidence of the understanding of the thoughts and practices related to the discipline indicated.</td>
<td>(a) Inadequate, poor or very poor knowledge or understanding of central topic issues.</td>
<td>(a) Little or no knowledge or understanding of central topic issues.</td>
</tr>
<tr>
<td>a) Systematic Understanding</td>
<td>(b) Application of recent emerging thought or practices from the discipline</td>
<td>(b) Application of recent emerging thought or practices from the discipline</td>
<td>(b) Clear evidence of understanding of thoughts and practices at the forefront of the discipline.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Emerging Thought</td>
<td>(a) Deep knowledge of the topic, explicitly related to comprehensive knowledge of the discipline(s). Evaluation and contribution to current knowledge</td>
<td>(a) Deep knowledge of the topic, explicitly related to comprehensive knowledge of the discipline(s). Evaluation of current knowledge</td>
<td>(a) Good knowledge and understanding of central topic issues, some explicitly identified. Some appreciation of a wider field.</td>
<td>(a) Some evidence of the understanding of the thoughts and practices related to the discipline indicated.</td>
<td>(a) Inadequate, poor or very poor knowledge or understanding of central topic issues.</td>
<td>(a) Little or no knowledge or understanding of central topic issues.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Application of recent emerging thought or practices from the discipline</td>
<td>(b) Application of recent emerging thought or practices from the discipline</td>
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221
<table>
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<tr>
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<th>PASS (70-79%)</th>
<th>PASS (60-69%)</th>
<th>PASS (50-59%)</th>
<th>PASS (40-49%)</th>
<th>FAIL (30-39%)</th>
<th>FAIL (0-29%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argument</td>
<td>(a) Consistently high levels of ability to analyse critically using a wide range of appropriate criteria, sources and perspectives. Excellent synthesis of elements of the argument including contrary views.</td>
<td>(a) A high level of ability to analyse critically using a range of perspectives. Excellent synthesis of elements of the argument including contrary views.</td>
<td>(a) Presentation of a coherent critical argument demonstrating the ability to analyse, synthesise and evaluate to form a balanced and supportable judgement. Use of contrasting perspectives.</td>
<td>(a) The development of a critical analysis without guidance. Some ability to synthesise concepts, theories and practice. Application of a range of analytical methods appropriate to the task.</td>
<td>(a) Evidence of some critical awareness. There is analysis which is structured within guidelines. Some difficulty in balancing and substantiating points made.</td>
<td>(a) Work is descriptive and uncritical. Generalisations, unsubstantiated assertions and exaggeration.</td>
<td>(a) Work is wholly descriptive and uncritical. Contains numerous generalisations, unsubstantiated assertions and exaggeration.</td>
</tr>
<tr>
<td>a) Analysis, Synthesis &amp; Evaluation</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>b) Numerical Analysis</td>
<td>(b) Numeric analysis that is complete and free from errors with fluent and appropriate application of methods.</td>
<td>(b) Numeric analysis that is complete and mostly free from errors with fluent and appropriate application of methods.</td>
<td>(b) Numeric analysis that is complete and mostly free from errors with relevant and effective application of methods.</td>
<td>(b) Numeric analysis that is mostly complete but contains errors with significant effect, or methods that are applied inappropriately</td>
<td>(b) Numeric analysis that is incomplete or contains errors which have critical effect, or methods that are applied inappropriately</td>
<td>(b) Numeric analysis that is incomplete or contains errors which have critical effect, or methods that are applied inappropriately</td>
<td>(b) Numeric analysis is almost non-existent and also incorrect</td>
</tr>
<tr>
<td>c) Argumentation</td>
<td>(c) Extremely strong and consistent argument that convincingly addresses issues including uncertainties and conflicts. Excellent use of information gathered which to support and</td>
<td>(c) Evidence of an argument that is generally convincing with a good internal consistency and addresses most issues. Very good use of information gathered which to support and</td>
<td>(c) Evidence of an argument that is generally convincing with a good internal consistency and addresses most issues. Very good use of information gathered which to support and</td>
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<td>(c) Evidence of a consistent argument but may have weaknesses, significant gaps or be unconvincing. Clear use of information gathered but may not be sufficient to sustain the argument.</td>
<td>(c) Evidence of a consistent argument but may have weaknesses, significant gaps or be unconvincing. Clear use of information gathered but may not be sufficient to sustain the argument.</td>
</tr>
<tr>
<td>d) Independent Research</td>
<td>(c) Extremely strong and consistent argument making a convincing whole with evidence of originality. Impressive ability in the use of</td>
<td>(c) Evidence of an argument that is generally convincing with a good internal consistency and addresses most issues. Very good use of information gathered which to support and</td>
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</tr>
<tr>
<td>Argument</td>
<td>(d) Independent Research</td>
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<tr>
<td>(a) Presentation of a coherent critical argument demonstrating the ability to analyse, synthesise and evaluate to form a balanced and supportable judgement. Use of contrasting perspectives.</td>
<td>(a) The development of a critical analysis without guidance. Some ability to synthesise concepts, theories and practice. Application of a range of analytical methods appropriate to the task.</td>
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<td>(b) Numeric analysis that is complete and mostly free from errors with relevant and effective application of methods.</td>
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<td>(c) Extremely strong and consistent argument making a convincing whole with evidence of originality. Impressive ability in the use of</td>
<td>(c) Evidence of an argument that is generally convincing with a good internal consistency and addresses most issues. Very good use of information gathered which to support and</td>
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<td>(d) Independent Research</td>
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<tr>
<td>PASS</td>
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<tr>
<td><strong>Criterion</strong></td>
<td><strong>80-100%</strong></td>
<td><strong>70-79%</strong></td>
<td><strong>60-69%</strong></td>
<td><strong>50-59%</strong></td>
<td><strong>40-49%</strong></td>
<td><strong>30-39%</strong></td>
<td><strong>0-29%</strong></td>
</tr>
<tr>
<td><strong>information gathered to support the argument.</strong></td>
<td>(d) Evidence of an innovative or original use of extensive personal research which has been thoroughly evaluated conceptually</td>
<td>further the argument</td>
<td>gathered to support the argument.</td>
<td>gathered but may have some weaknesses in the integration into the argument.</td>
<td>(d) Evidence of a consistent argument but may have weaknesses or be unconvincing. Clear use of information gathered but may not be sufficient to sustain</td>
<td>or secondary research much of which may not be evaluated and may not be directly related to the question</td>
<td>related to the question</td>
</tr>
<tr>
<td>(d) Substantial research and evidence of an innovative use of a wide range of personal research with clear and consistent evaluation conceptual</td>
<td>(d) Clear evidence of considerable personal research and the use of a diverse range of appropriate sources but may contain problems with consistency in the conceptual evaluation</td>
<td>(d) Appropriate use of a wide range of personal research which is critically evaluated for key conceptual issues although this may not be consistent throughout</td>
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<td>Criterion</td>
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<tr>
<td><strong>Presentation</strong>&lt;br&gt;a) Structure&lt;br&gt;b) Referencing&lt;br&gt;c) Use of Language</td>
<td>(a) Excellent structure and presentation&lt;br&gt;(b) Precise, full and appropriate references and notes.&lt;br&gt;(c) Subtle use of language expressing a high degree of thought with clarity and precision to a level appropriate for submission for publication.</td>
<td>(a) Poor structure and presentation&lt;br&gt;(b) Very limited or nil referencing with numerous errors and omissions&lt;br&gt;(c) Extreme errors in use of language and an extreme lack of clarity</td>
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<td></td>
<td>(a) Excellent structure and presentation&lt;br&gt;(b) Precise, full and appropriate references and notes.&lt;br&gt;(c) Precise use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
<td>(a) Poor structure and presentation&lt;br&gt;(b) Competent references and notes but may contain inconsistencies, errors or omissions&lt;br&gt;(c) Generally understandable use of language but significant errors in expression affecting overall clarity</td>
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<tr>
<td></td>
<td>(a) Good structure and presentation&lt;br&gt;(b) Full and appropriate references and notes with minor or insignificant errors&lt;br&gt;(c) Clear and precise use of language allowing a complex argument to be easily understood and followed</td>
<td>(a) Adequate structure and presentation&lt;br&gt;(b) Good references and notes with minor or insignificant errors or omissions&lt;br&gt;(c) Generally clear use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
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<tr>
<td></td>
<td>(a) Adequate structure and presentation&lt;br&gt;(b) Full and appropriate references and notes&lt;br&gt;(c) Clear and precise use of language expressing complex thought with clarity, accuracy and precision which furthers and enhances the argument</td>
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<tr>
<td></td>
<td></td>
<td>(a) Poor structure and presentation&lt;br&gt;(b) Very limited or nil referencing with numerous errors and omissions&lt;br&gt;(c) Extreme errors in use of language and an extreme lack of clarity</td>
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</tbody>
</table>
## STAFF CONTACTS

<table>
<thead>
<tr>
<th>Staff Member</th>
<th>Responsibility/ position</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Cumming</td>
<td>Director of Programmes</td>
<td><a href="mailto:jamescumming@bpp.com">jamescumming@bpp.com</a></td>
</tr>
<tr>
<td>Mike Barker</td>
<td>Head of Programme</td>
<td><a href="mailto:mikebarker@bpp.com">mikebarker@bpp.com</a></td>
</tr>
<tr>
<td>Samantha Garbutt</td>
<td>Head of Student Managers</td>
<td><a href="mailto:samanthagarbutt@bpp.com">samanthagarbutt@bpp.com</a></td>
</tr>
</tbody>
</table>
PROGRAMME REGULATIONS

PROGRAMME REGULATIONS: ADVANCED DIPLOMA IN ACCOUNTING AND FINANCE [ACCA]

Authority

1. These regulations are made under the authority of the University’s General Academic Regulations, Part A, Paragraph 7, and in accordance with these provisions, are cited as the Masters in Accounting and Finance Programme Regulations.

Conditions for Admission

2. Students wishing to obtain the Advanced Diploma will require:

- Two A levels and three GCSEs (grade C or above) in five separate subjects, including Maths and English OR
- An FIA qualification (with which students will enter directly into term 2) OR
- Passes/Exemptions in ACCA papers, which will allow students to enter the programme in either term 2 or term 3

AND

- To be registered with ACCA as a student (this is the student’s own responsibility and at the student’s own cost).
- Apply for and pay for exemptions from equivalent ACCA examination papers on a term by term basis (the exemption fees are at the student’s own cost).

AND

- Applicants whose first language is not English and who do not hold an honours degree that was delivered in English, shall be required to provide certified proof of ability in written and spoken English to, at least, IELTS level 6.0 (overall). OR
- Have a score, at application, of IELTs level 5.5 and have completed a term of pre-sessional English. OR
- Have a score, at application, of IELTs 5.5 and have completed the FIA qualification with in-sessional English.

Admissions with Credit

5. Applicants who have either:
Advanced Diploma in Accounting and Finance [ACCA]  

- already successfully completed the external examinations of the Association of Chartered Certified Accountants Professional Accountancy qualification, (under the appropriate variants) for any of Papers F1 to F6, inclusive; or
- who have received exemption from the ACCA, for any of papers F1 to F6, inclusive based on accredited prior learning;

may apply for accreditation for prior learning for the equivalent module(s) of the Advanced Diploma Accounting and Finance [ACCA].  
The maximum academic credit that can be granted from this programme will be up to two thirds of the programme and no credit can be given for a module that forms part of the final one third of a programme leading to the award of the Advanced Diploma.

Conditions of Acceptance

6. An offer of a place on the programme is subject to the terms and conditions stated in the documentation accompanying the offer, these regulations and the General Academic Regulations, as in force at the time of interpretation. The acceptance of the offer is taken as agreement to these regulations.

Specialisms

7. There are no prerequisite modules within the programme, although the programme is designed so that the modules should be attempted in order, to ensure that the learning from earlier modules is built on in later modules.

Conditions for Progression

8. A student should progress through the modules in the order prescribed by the programme team.

9. A student may not attempt more than 3 modules per term (4 modules may be permitted, at the discretion of the programme team, where one module is a resit of an earlier, marginally failed module (marginal fail: from 35 to 40 marks) and where this can be accommodated within the programme timetable).

10. Failed modules from earlier terms must be completed, as re-sits, before new modules from later terms are commenced. Failed modules will require students to attempt the full module again, including attendance at lectures and all seminar and workshop activities.

Reassessment of Failed Assessment(s)

11. A student who fails an assessment should resit that assessment at the next assessment opportunity.

13. A student shall be permitted three attempts at each assessment component; one first sit and two resits. Further attempts may only be permitted in accordance with the regulations on appeals and the rules on concessions.

14. Where a student resits and passes an assessment component the component mark shall be capped at the pass mark. The capped mark shall be aggregated with the original mark(s) of the other component(s) and the aggregated mark shall appear on the transcript.

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Condonation

15 A student who completes may be condoned by the Board of Examiners once in one module at stage 1 where the student has achieved a mark in the range 35%-39%, has otherwise met the intended learning outcomes and has no other failed modules;

16 Condonation shall not be applied to modules greater than 30 credits Therefore the 6 modules on this programme of 40 credits cannot be condoned.

17 Condonation will only be granted prior to the final Board of Examiners where the student has exhausted all permitted attempts at the assessment and would otherwise be required to withdraw permanently from the University.

Conditions for the Granting of Awards

17 A student who completes an approved programme of study, as described in the Programme Specification shall be awarded an Advanced Diploma in Accounting and Finance [ACCA].

Classification of Award

18 The following classification will be adopted for the overall award:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distinction</td>
<td>70% or above</td>
</tr>
<tr>
<td>Merit</td>
<td>60% - 69%</td>
</tr>
<tr>
<td>Pass</td>
<td>40% - 59%</td>
</tr>
<tr>
<td>Fail</td>
<td>Below 40%</td>
</tr>
</tbody>
</table>

19 A pass at 40% in an individual module will allow a student to apply for an exemption from the equivalent ACCA Professional Accounting qualification examination.

Confidentiality

20 A student’s assessment results shall be confidential to the student, however the terms and conditions of the programme will ask students to allow results to be shared with ACCA for the purpose of the granting of exemptions and with the UKVI for the purpose of monitoring student progress for visa compliance purposes.
CURRICULUM MAP

This table illustrates the coverage of programme learning outcomes by each module.

<table>
<thead>
<tr>
<th>Module</th>
<th>Knowledge and Understanding</th>
<th>Cognitive Skills</th>
<th>Professional Skills</th>
<th>Transferable Skills</th>
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<tbody>
<tr>
<td></td>
<td>K</td>
<td>K</td>
<td>P</td>
<td>T</td>
</tr>
<tr>
<td>Type of Learning Outcome</td>
<td>K</td>
<td>K</td>
<td>P</td>
<td>T</td>
</tr>
<tr>
<td>Number of Outcome</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Term 1</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Accountant in Business</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Management Accounting</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Financial Accounting</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Corporate and Business Law</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Performance Management</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Taxation</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Term 2</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Financial Reporting</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Audit &amp; Assurance</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Financial Management</td>
<td>3</td>
<td>4</td>
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## ASSESSMENT MAP

<table>
<thead>
<tr>
<th>Type of Assessment</th>
<th>FORMATIVE</th>
<th>SUMMATIVE</th>
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</thead>
<tbody>
<tr>
<td>Advanced Diploma in Accounting and Finance [ACCA]</td>
<td>MCQ</td>
<td>MOCK EXAMS</td>
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<tr>
<td>Accountant in Business</td>
<td>✓</td>
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<tr>
<td>Management Accounting</td>
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<td>✓</td>
</tr>
<tr>
<td>Financial Accounting</td>
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<td>✓</td>
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<tr>
<td>Corporate and Business Law</td>
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<tr>
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<tr>
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<td>✓</td>
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<tr>
<td>Financial Management</td>
<td>✓</td>
<td>✓</td>
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