



2014 年 ACCA 考纲解析

白皮书

高顿财经研究中心

2014 年 ACCA 考试大纲中文全解析

引言：

ACCA 目前所采用的考试大纲为 2007 年启用的考试科目体系。在 ACCA 的考试中，科目的主考考官每年都会针对该科目，撰写详细的考试大纲 Syllabus 以及学习指南 Study Guide，在考试大纲中考官为明确说明该科目的考试主题内容、范围、考题形式、分值分布等内容，是所有考生参加科目学习前必读的材料，而 Study Guide 主要是考官，对整个科目的考试考点的逐点解析，将明确考点在考试中的能力要求，比如背诵、理解、比较、应用等，这对于同学的学习安排也有非常重要的指导意义。

2014 年 ACCA 考试迎来了许多新的变化，比如从 2014 年开始，各科目题型有了很大的调整，F4 也可以参加机考，同时大部分科目的考纲出现了不同程度的删减和调整。

本书是高顿研究中心根据 2014 年 1 月官方公布的科目考纲结合高顿研究中心多年跟踪的考试数据编写，并向学员提供了各科目考官的一些基本情况和命题特点，包含了从 F1-F9，P1-P5 共 14 个科目。

希望帮助 ACCA 学员快速理解科目考试大纲，顺利通过考试。

高顿财经 ACCA 研究中心

2014 年 8 月

高顿 ACCA 培训中心介绍

高顿财经 ACCA 培训中心是中国卓越 ACCA 培训专家！

中心全年为超过 5000 名学员，提供包括业余、寒暑假、全日制、远程课程在内的 8 大类，超过上万小时的培训课程，并为中国近 30 所知名大学提供专业的 ACCA 教学服务。

高顿的教学水平、教学研究、师资团队、教学服务在业界名列前茅，是中国 ACCA 培训领域的翘楚。通过自身的教学研究，高顿财经在教学中采用“任务制教学”、“阶段教学”等前沿的教学理念及方法，开发有适合中国学生的高效教学工具，并拥有一支教学水平高超，教学质量突出的师资团队。高顿财经的 ACCA 教学为业界称誉，曾为 GE、安永、强生等全球知名企业提供专业培训服务，并深受学员好评！

高顿财经得到 ACCA 官方高度认可，自 2009 年起高顿财经一直被 ACCA 英国总部评选为推荐级培训中心。同时，中心特别关注和支持学员在国际财经领域职业发展，提供包括职业发展课程、暑期四大训练营、职业发展导师计划等职业服务，2013 年高顿成为 ACCA 中国华东地区白金级职业发展合作伙伴。

高顿 ACCA 研究中心介绍

高顿财经是中国唯一建立 ACCA 考试研究中心的 ACCA 培训机构！

研究中心聘请全职研发人员，专门为广大 ACCA 学员总结考试规律，设计学习方案，研发学习辅助材料，预测考试动态，每年帮助高顿学员顺利通过 ACCA 资格认证考试！

研究中心目前开发有教学 Notes、财经词典、教学期刊，并不断推出的 ACCA 资格认证分析报告、教学案例、专业题库、教学笔记、预测试题等教学产品。

2014 年 ACCA 新大纲考试科目全介绍

Accountant in Business (FAB/F1)

➤ 相关链接：

[2014 syllabus and study guide](#)

[Specimen Exam applicable from June 2014](#)

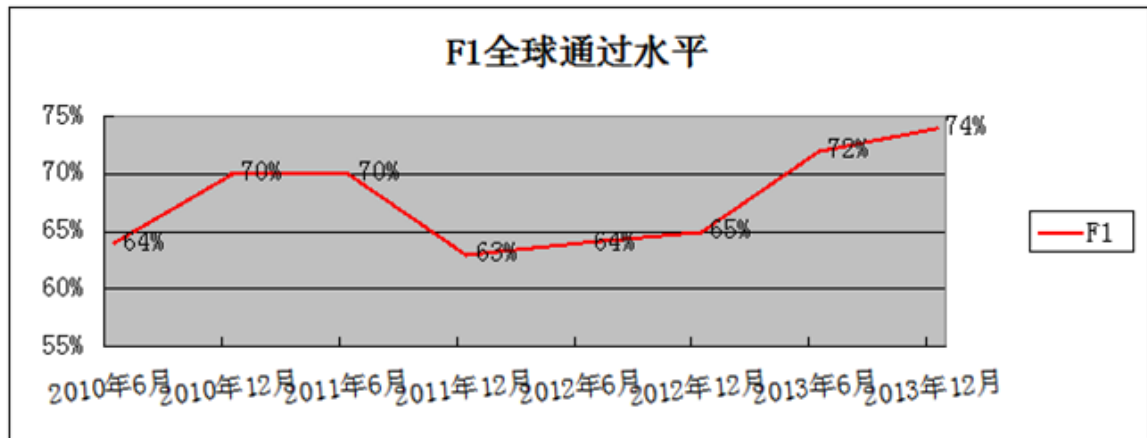
➤ 科目介绍：

F1课程主要是帮助无任何商业背景知识的学员初步建立人力资源、企业组织、商业环境及相互之间影响关系的相关知识内容。

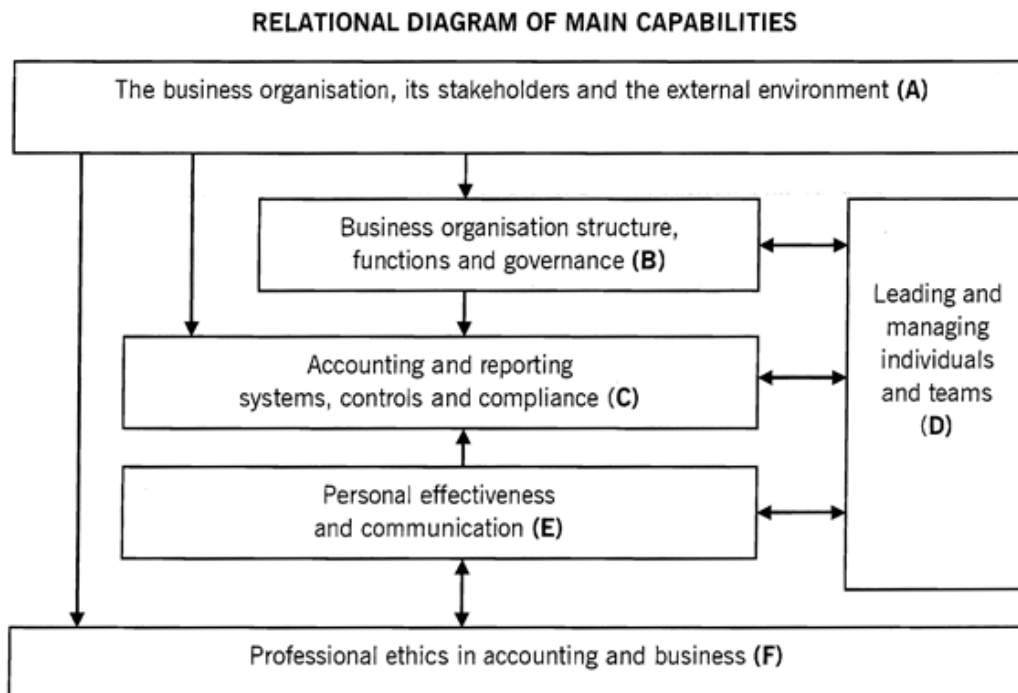
大纲要求考察：

1. 企业组织（目标和类型），利益相关者和外部环境
2. 企业组织结构，文化，功能和企业管制
3. 会计和报告制度，内部控制和制度的遵循，主要是公司治理结构及会计师在公司中的作用，如财务报告、认证、内部控制，合规审核等；
4. 个人和团队领导和管理
5. 企业中领导力、管理及人力资源相关知识内容，比如个人激励、个人效率、个人及组织行为等；
6. 组织及个人商业行为所要遵守的相关职业道德

➤ **近几年考试通过率趋势图：**

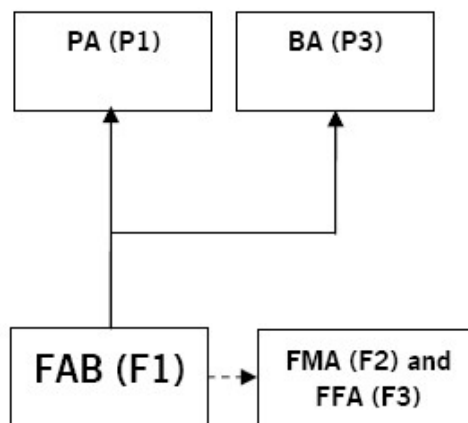


➤ **知识结构：**



➤ 科目关联性:

F1 课程做为整个 ACCA 课程的第一门科目，简单的介绍了商业知识和企业中财务的基本作用，它帮助学员建立了 F2（管理会计）、F3（财务会计）的学习基础；同时，F1 科目所涉及的企业组织管理、职业道德、内部控制等基础内容，是 P1（商业风险）、P3（商业分析）的知识基础。



➤ 考试形式:

F1 的考试时长为 2 小时。考生可以采用参加统一笔答考试或在计算机考试中心参与计算机考试两种形式。F1-纸考将于 2014 年 6 月起（机考于 2014 年 2 月 6 日起）对考试题型做出较大调整：新的考试题目引入了“多任务题”，该题型的题干包含了单一或多个背景描述，提出系列问题。新题型的引入旨在丰富考试形式，从多维度去考察考生对知识点的掌握程度，这对 F1 这门课的总体考试难度不会产生影响，请广大考生放心。

➤ 新题型解析:

改革后的试卷由 Section A 和 Section B 两个部分组成，Section A 中包含 30 道 2 分的选择题和 16 道 1 分的选择题，Section B 中包含 6 道 Multi-task questions (MTQs) “多任务题”，每道题 4 分，每道 MTQ 的题分别对应考纲中一个章节的内容。

在 Section A 中 1 分题作为新加入的新题型，其考察方式会比较直接，可能是二选一或者三选一，也可能出现 true& false 题。

例 1：

An organisation' s employees are one of its connected stadtholders.

Is this statement true or false?

A True

B False

2 分题与先前考试的要求，难度一致，形式均为四选一。

在 section B 中，多任务题是以“一题多问”的考题形式呈现，此外题目会引入较长的案例介绍，考生也可能需要阅读图表。在多任务题中题型多样，一题可能会超过四个选项，也可能会有多选题，与以往不同的是，在多任务题中选对部分答案也会给与一定的分数。

题型一 —— “8 选 4” (MR question with eight options)，分值为 2 分，若考试选对其中 3 个得 1.5 分，但是若考试选择选项数超过 4 个此题得 0 分。

例 2:

The following are desirable characteristics of professions and vocations:

A Acting in the public interest

B Highly skilled

C Ethical codes of conduct

D Governance by association

E Highly valued services

F Training requirement

G Process of certification

H Qualification by examination

Required:

Select FOUR of the characteristics from the list above, which distinguish a profession from an occupation.

(2 marks)

题型二，Gap-fill question。

该题型需要考生在空格的下拉菜单中选择正确的单词，词组或句子，讲题目中的句子或段落补充完整。

(b) Complete the following sentences about Sport-4-Kidz stakeholders, with reference to Mendelow's grid.

The local residents exert and should be

(i) Select which ONE of the following fills Gap 1:

- A high power, low interest
- B high power, high interest
- C low power, low interest
- D low power, high interest

Write down A, B, C or D.

(ii) Select which ONE of the following fills Gap 2:

- A treated as a key player
- B kept satisfied
- C kept informed

Write down A, B, or C.

The building companies exert and should be

(iii) Select which ONE of the following fills Gap 3:

- A high power, low interest
- B high power, high interest
- C low power, low interest
- D low power, high interest

Write down A, B, C or D.

(iv) Select which ONE of the following fills Gap 4:

- A treated as a key player
- B kept satisfied
- C kept informed

Write down A, B, or C.

Note: The total marks will be split equally between each part.

(2 marks)

题型三， Multiple-response matching question。

该题型需要考生根据题干描述，在表格中选出相应的选项。

例 4：

The following statement are made by the manager in the appraisal interview.

Which purpose of the appraisal process does each statement demonstrate?

	Performance	Reward	Potentia
'I think you should attend a training course on motivational techniques'	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
'We need to discuss your unpopularity with several of our suppliers'	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

题型四， Hot-spot question。

该题型需要机考考生在表格中点击正确的按钮，若考生想取消原来的选择只需在按钮上再点击一次即可。

5 Accounting bodies set out a code of ethics to establish ethical behaviour requirements for professional accountants.

(a) The following are qualities you might see in a professional at work:

Integrity A	Honesty B
Trustworthiness C	Expertise D
Professional behaviour E	Confidentiality F
Respectfulness G	Objectivity H

Required:

Write down which of the FOUR boxes from (A–H) contain fundamental principles of ethical behaviour from the IFAC (IESBA) and ACCA codes of ethics. (2 marks)

➤ 新旧考纲的主要变化：

2014 年下半年的考试大纲在大体结构上没有发生较大变化，但是考官在有些章节加入或删减了一些重要内容。例如，在 PartA 中微观经济一章考官增加了 types of competition 的内容；PartB 中 Business organisation, structure and strategy 一章中考官对公司结构做了一些拓展，增加了 hollow/ modular/ boundaryless organisations 等。考生在备考过程中应重视对新加入考纲的知识点的复习和对相关习题的操练，同时关注 ACCA 官网上新出的考官文章，做到对新知识点和重点内容的彻底掌握。

➤ 学习建议：

F1 作为 ACCA 的第一门课程，课程内容相对广泛，但是对大多数知识点只要求认知即可。对于 F1 的考生，知道一些基本的经济学常识对考试是很有帮助的。建议考生在课余时间，多读一些经济学，管理学，会计学，市场营销等经管类基础课目的入门书籍，以及相关的新闻，杂志。另外，要提高英语的阅读速度和词汇量，如果题目读不懂，

肯定答不出来。特别是对于刚刚开始接触 ACCA 的考生可能会对大段的英语产生排斥心理，这就需要考生在备考阶段，反复阅读课本，讲义以及习题后面的解释，只有做到对专业词汇和考试内容彻底熟悉，才能从容应对考试。

最后预祝所有的考生都能在下半年的考试中取得满意的成绩。

2014 年 ACCA 新大纲考试科目全介绍

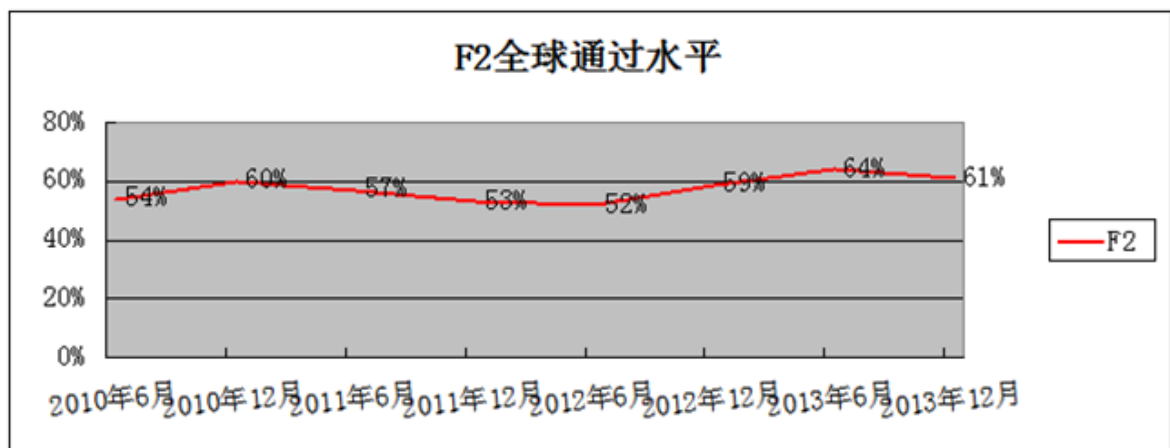
Management Accountant (FMA/F2)

➤ 科目介绍：

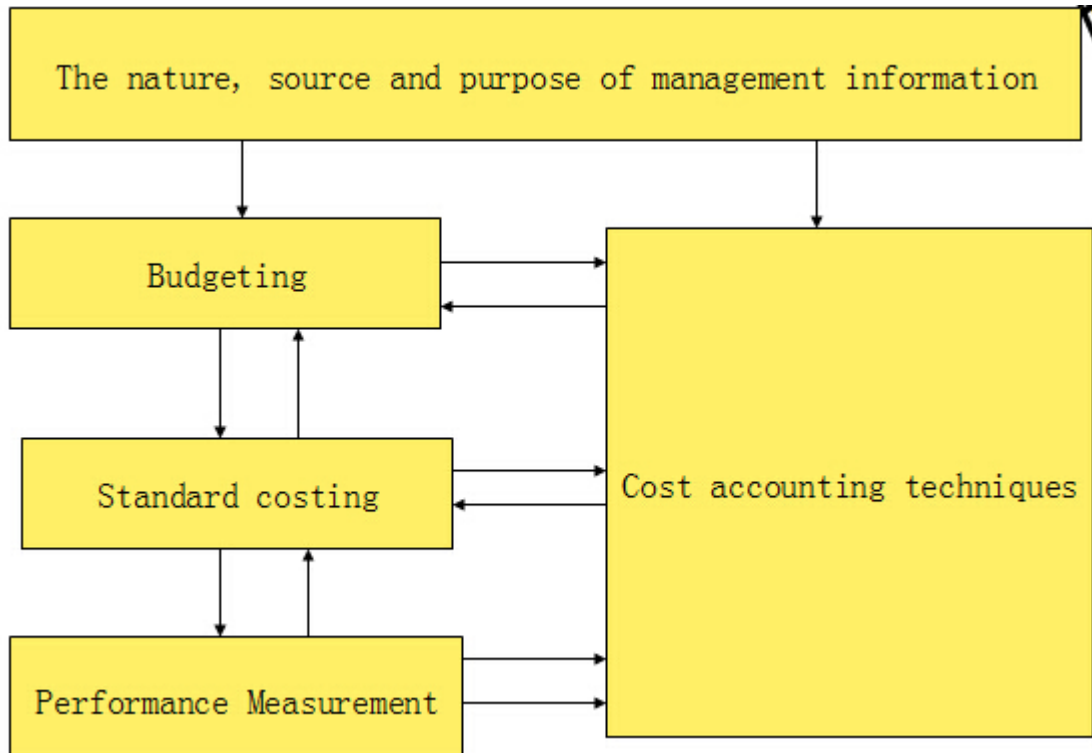
F2 课程主要向学员介绍了管理会计体系的主要元素以及管理会计如何发挥支持企业决策，制定企业决策的作用。大纲包括一下几方面内容：

- 1、管理会计的起源、性质、成本会计的相关内容
- 2、成本管理技术如何作为管理会计的重要技术被应用于商业世界
- 3、企业预算编制的准备、标准成本法以及成本分析模型
- 4、企业绩效的评估及提升企业绩效的方法

➤ 近几年考试通过率趋势图：



➤ **知识结构：**



Aim of F2:

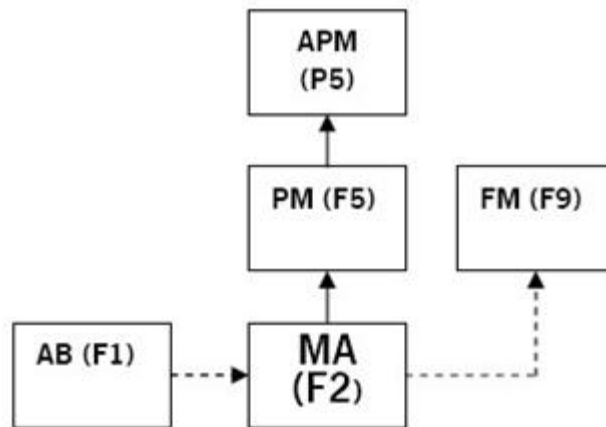
To develop knowledge and understanding of how to prepare and process basic management information in an organization to support management in planning and decision-making.

Main capabilities:

- (a) Explain the nature, source and purpose of cost and management accounting
- (b) Explain and apply cost accounting techniques
- (c) Prepare budgets for planning and control
- (d) Compare actual costs with standard costs and analyze any variance
- (e) Analyze, interpret and monitor business performance

➤ 科目关联性:

F2 课程是 ACCA 管理会计体系下的基础课程，它主要告诉大家如何去计算成本、如何去做预算、如何去帮助一个管理者做决策分析，并为一个公司提供基础的管理信息来支持做规划和决策。学好 F2 对于 F5、F9、P5 更高级阶段科目的学习有着重要的作用。



➤ 考试形式:

F2 的考试时长为 2 小时。考生可以采用参加统一笔答考试或在计算机考试中心参与计算机考试两种形式。题型由原来 50 个单选变为 35 个单选 3 个多任务题，多任务题每题 10 分。

➤ 新旧考纲的主要变化:

F2 新考纲题型变化较大，选择题与填空题题型变化更加无规则，考试内容更加灵活，重点不再是成本，而预算、差异和业绩评估知识点考察不再是冷门，后面的三道“长问题”，主要考察营运预算、标准成本和业绩评估。

对于机考，首先是选择题和填空题，填空题只能填入数字，所以平时在做练习的时候，尽量将关于计算的选择题当成填空题来做。F2 的考试重点从前面的成本核算题转向了后面的营运预算、差异和业绩评估，并针对这三块对应出三道大题目。但是这并不

意味着成本不考，只是比重没有以前大。下面简要分析一下三道大题目的通常考点。首先是预算部分，可能会涉及以下知识点：营运预算，例如从销售到材料人工的预算；资本预算，NPV IRR Payback 和相关成本；预测，高低点法，线性回归，时间序列等。其次是标准成本，多数以文字考题形式出现，但有时也会是图表题来考，基本是差异，但是倒推比较多。最后是业绩评估，考题案例比较灵活，考基本的 Ratio 概率较高，以及 ROI 和 RI，除了基本的 Financial ratio 以外，还会出现 Non-financial ratio 的计算。也会让考生选择合适的 KPI 去评估 CSF, Benchmarking 的分类和 3E 也是考点。

需要提醒的是，大题目中除了计算以外，考官还会考一些文字类问题，例如一些基本概念的定义，或是针对业绩评估的结果查找原因以及提出建议等等。对于文字类题目考生应该按分值来写答案，文字类答题对英文要求不高，只需要用简单的语句陈述出来即可。

➤ 样题&答案：

Sparrow Co sells construction supplies and has some cash sales and some credit sales. Actual credit sales for the past four months have been as follows.

	\$
February	50,000
March	60,000
April	20,000
May	40,000

20% of credit sales are expected to pay in the month of sale, 60% in the month after sale, 10% in the second month after sale and 10% are expected to be bad debts.

- (a) (i) How much cash should Sparrow Co collect from credit sales in the month of May?
 (ii) Sparrow Co has budgeted that total sales in August will be \$320,000, then \$510,000 in September, \$130,000 in October and \$250,000 in November. 50% of sales are expected to be credit sales. Customers who pay in cash are given a 10% discount.

What level of sales receipts should be shown in the cash budget for October?

(5 marks)

- (b) Sparrow Co decides to sell a non-current asset. It was originally bought in September 20X3 for \$60,000 and has been depreciated by \$10,000 per year. Sparrow Co hopes to sell it in August 20X5 for \$25,000.

What is the net cash inflow or outflow relating to this sale that will appear in the cash budget for August 20X5?

Inflow/outflow (delete as necessary)

(2 marks)

- (c) Define and distinguish between capital and revenue expenditure.

(3 marks)

(Total = 10 marks)

- (a) (i) \$26,000

		\$
20% May sales	$\times \$40,000$	= 8,000
60% April sales	$\times \$20,000$	= 12,000
10% March sales	$\times \$60,000$	= 6,000
		<u>26,000</u>

- (ii) Receipts for October

		\$
October sales for cash (less 10% discount)	$50\% \times 90\% \times \$130,000$	= 58,500
October credit sales	$50\% \times 20\% \times \$130,000$	= 13,000
September credit sales	$50\% \times 60\% \times \$510,000$	= 153,000
August credit sales	$50\% \times 10\% \times \$320,000$	= 16,000
		<u>240,500</u>

- (b) \$25,000 inflow. Depreciation and profit or loss on sale of a non-current asset are not cash flows. They are accounting entries only. The cash flow is the receipt of \$25,000.

- (c) **Capital expenditure** results in the acquisition of non-current assets or an improvement in their earning capacity.

Revenue expenditure is expenditure which is incurred for the purpose of the trade of the business or to maintain the existing earning capacity of non-current assets.

Suppose that a business purchases a building for \$30,000. It then adds an extension to the building at a cost of \$10,000. The building needs to have a few broken windows mended, its floors polished and some missing roof tiles replaced. These cleaning and maintenance jobs cost \$900. The original purchase (\$30,000) and the cost of the extension (\$10,000) are capital expenditures, because they are incurred to acquire and then improve a non-current asset. The other costs of \$900 are revenue expenditure, because these merely maintain the building and thus the 'earning capacity' of the building.

2014 年 ACCA 新大纲考试科目全介绍

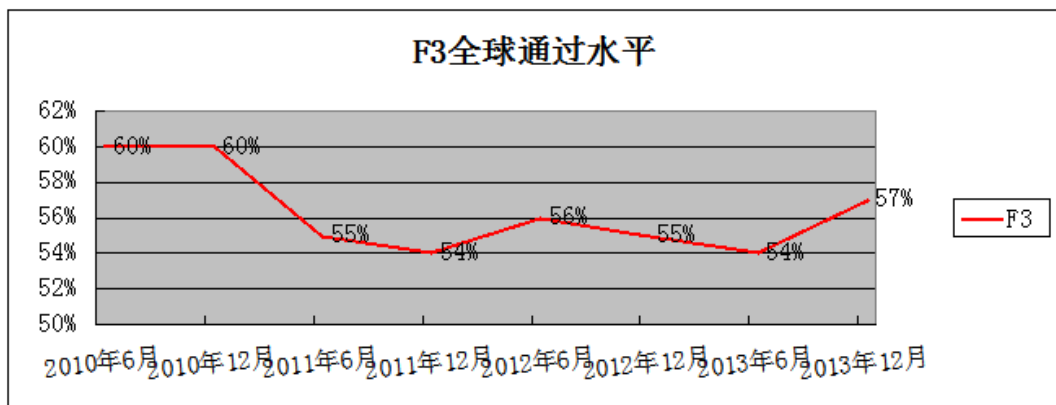
Financial Accounting (FFA/F3)

➤ 科目介绍：

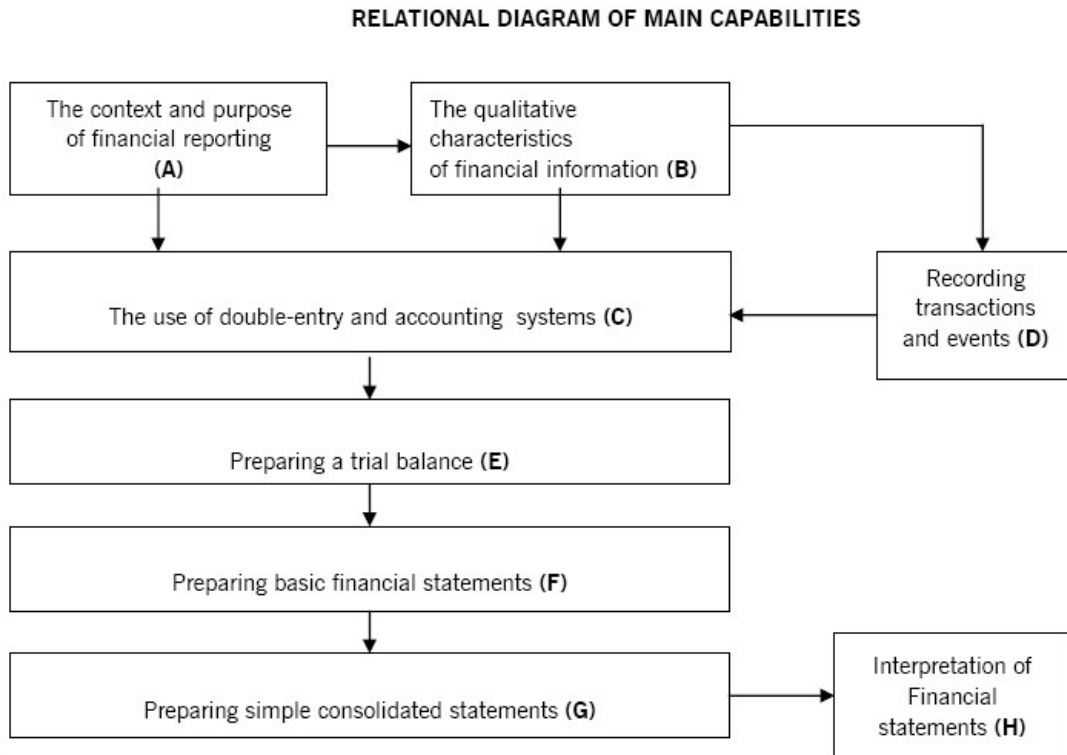
F3 课程主要向学员介绍了财务会计准则、相关会计科目账户建立以及准确财务信息的提供。

大纲介绍了财务报表编制准备及会计科目建立原则。接着大纲深入展开了公司各类经营行为的会计记录方法，如何使用试算平衡表使用、如何改正账面错误以及需合并报表或非合并报表财务报告的准备工作。之后大纲分出两个重点方向展开，一是要求考生能够对财务报表做一些简单的解读；二是要求学员能够做报表合并。

➤ 近几年考试通过率趋势图：

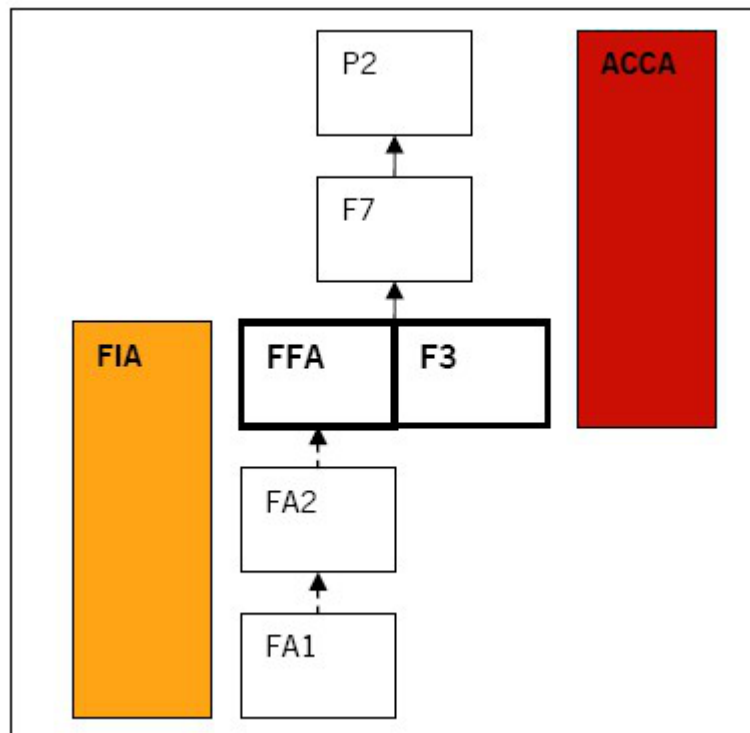


➤ **知识结构：**



➤ **科目关联性:**

F3 课程是 ACCA 财务会计体系下的基础课程，而财务会计是 ACCA 主要核心内容，F3 也是帮助学员建立财务会计概念财务报表编制、合并、解读的相关知识；因此 F3 是 F7 财务报告、P2 公司报告的基础。



➤ 考试形式：

F3 的考试时长为 2 小时。考生可以采用参加统一笔答考试或在计算机考试中心参与计算机考试两种形式。**考试题型由 50 个单选变为 35 个单选 2 个多任务题，单选题共 70 分，每个任务题 15 分。**

➤ 新旧考纲的主要变化：

2014 年，主要是考试题型上出现了较大的变化，主要是为了更加接近 F7 财务报告相关考试要求，缩小了两级考试之间的考试难度。相比之下，F3 考试难度增加了，F7 反而降低了，在知识结构上，F3 的考纲主要是增加了对编制合并报表的要求。加强了与 F7 的联系，为考生步入 F7 的学习打好铺垫。并且，编制合并报表从简单的选择题到有一定难度的任务题，要求考生熟练掌握报表格式和编制过程。

具体变化点如下：

Section and areas	Syllables content
B1 a) refer only to IASB Conceptual Framework 出现的 qualitative characteristics ,summarized as right:	Define, understand and apply qualitative characteristics: i) Relevance ii) Faithful representation iii) Comparability iv) Verifiability v) Timeliness vi) Understandability
B1 b) replaced with a new outcome including other accounting concepts	Define, understand and apply accounting concepts [K] i) Materiality ii) Substance over form iii) Going concern iv) Business entity concept v) Accruals vi) Fair presentation
The updated titles of financial statements per IAS 1 Presentation of Financial Statements.	Income statement' has been replaced with 'statement of profit or loss' and 'statement of comprehensive income' has been replaced with 'statement of profit or loss and other comprehensive income'.

➤ **新考纲--任务题（样题）：**

Question 1

The following information relates to Geofrost, a limited liability company, for the year ended 31 October 20X7.

Extracts from the statement of profit or loss for the year ended 31 October 20X7

	\$'000
Profit before tax	
15,000	
Less tax	
4,350	
Profit for the year	
10,650	

Statement of financial position as at 31 October	
	20X7
20X6	
	\$'000
Assets	
Non-current assets	
44,282	26,574
Current assets	
Inventory	
3,560	9,635
Receivables	
6,405	4,542
Cash	
2,045	1,063
	12,010
15,240	
Total assets	
56,292	41,814
Equity and liabilities	
Capital and reserves	
Ordinary share capital	
19,365	17,496
Retained earnings	
17,115	6,465
	36,480

23,961	
Non-current liabilities	
Loan	
8,000	10,300
Current liabilities	
Bank overdraft	
1,230	429
Trade payables	
7,562	4,364
Taxation	
3,020	2,760
	11,812
7,553	
Total equity and liabilities	
56,292	41,814

Additional information:

- (1) Depreciation expense for the year was \$ 4,658,000
- (2) Assets with a carrying value of \$ 1,974,000 were disposed of at a profit of \$ 720,000

Complete the cash flow statement of cash flows for the year ended 31 October 20X7 for Geofrost.

Statement of cash flows for the year ended 31 October 20X7.

Cash flows from operating activities	
	\$ '000
○ Profit before tax	
○ Profit after tax	
	[]
Adjustments:	
Depreciation	
[]	○ Add ○ Subtract
Profit on disposal of non-current assets	

[]	○ Add	○ Subtract
Inventory		
[]	○ Add	○ Subtract
Receivables		
[]	○ Add	○ Subtract
Payables		
[]	○ Add	○ Subtract
Tax paid		
[]	○ Add	○ Subtract
Net cash from operating activities		
Cash flows from investing activities		
Payments to acquire non-current assets		
[]	○ Add	○ Subtract
Proceeds from sale of non-currents assets		
[]	○ Add	○ Subtract
Net cash from investing activities		
Cash flows from financing activities		
Proceeds from issue of share capital		
[]	○ Add	○ Subtract
Repayment of loans		
[]	○ Add	○ Subtract
Net cash from financing activities		
Net movement cash and cash equivalents		
[]	○ Outflow	○ Inflow
Cash and cash equivalents at beginning of period	[]	
Cash and cash equivalents at end of period	[]	

Question 2

Background

On 1 January 20X3 Gasta Co acquired 75% of the share capital of Erica Co for \$ 1,380,000. The retained earnings of Erica Co at that date were \$ 480,000. Erica Co's share capital has remained unchanged since the acquisition.

The following draft statements of financial position for the two companies have been prepared at 31 December 20X9.

Erica Co	Gasta Co	
	\$ '000	\$ '000
Investment in Erica Co	1,380	0
Other assets	4,500	2,400
Total assets	5,880	2,400
Equity share capital	2,000	1,000
Retained earnings	2,040	660
		4,040
1,660		
Liabilities	1,840	740
Total equity and liabilities	5,880	2,400

The non-controlling interest(NCI) was valued at \$ 450,000 as at 1 January 20X3.

Task 1

Complete the following to determine the goodwill arising on acquisition.

Caption	\$ '000
Value of investment at acquisition	
Investment in Erica Co held by Gasta Co	
○ 480	○ 660
	○ 1380
	○ 1000
	○ 450
○ Retained earnings	
○ 450	

<ul style="list-style-type: none"> ○ Other assets ○ 1,380 ○ Investment in Erica Co held by Gasta Co ○ 480 ○ Equity share capital ○ 660 ○ NCI as at acquisition ○ 1,000 	
Total value of investment at acquisition(A)	
()	
Fair value of Erica Co's net assets at acquisition	
Equity share capital	
○ 480	
	○ 1,000
	○ 2,400
	○ 740
	○ 660
○ Retained earnings	
○ 480	
○ Equity share capital	
○ 1,000	
○ Liabilities	
○ 2,400	
○ Other assets	
○ 740	
	○ 660
Total fair value of Erica Co's net assets at acquisition(B)	
()	
Goodwill at acquisition as a formula	
○ A-75% of B	
	○ A+100% of B
	○ A-100% of B
	○ A+75% of B

Task 2

Are each of the following statements relating to consolidation correct?

	Yes	No
The process of consolidation results in a single separate legal entity.	<input type="radio"/>	<input type="radio"/>
NIC will always feature within the consolidated financial statements.	<input type="radio"/>	<input type="radio"/>
Goodwill is recalculated using the recent fair values at each reporting period end.	<input type="radio"/>	<input type="radio"/>

Task 3

Select the formula which correctly calculates NCI as at 31 December 20X9, in accordance with IFRS 10 Consolidated Financial Statements.

- 25% of net assets at 31 December 20X9.
- Fair value of NCI at acquisition + 25% of post acquisition profits.
- Fair value of NCI at acquisition +25% retained earnings as at 31 December 20X9

Task 4

Calculate the following figures which will be reported in Gasta's consolidated statement of financial position as at 31 December 20X9.

	\$ '000
Investment ○ 1380	○ 0
Other ()	assets
Share ()	Capital
Retained ()	earnings
Liabilities ()	

Accountant in Business (FAB/F1) February 2014 to August 2015

This syllabus and study guide are designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this examination and other examinations which precede or follow it. Some examinations are directly underpinned by others. These links are shown as solid line arrows. The indirect links are shown as dotted line arrows. The relational diagram therefore indicates where learners are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the examination and indicates in the broadest sense the capabilities to be developed within the examination.

Main capabilities

This syllabus's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is

structured and how the main capabilities or sections of the syllabus are linked. The rationale also explains in further detail what the examination intends to assess and how.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed within any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes indicate what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^K and the assessment of skills is denoted by the superscript^S.

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS AND EDUCATION RECOGNITION

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Foundations examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Foundations examinations are assessed by two-hour paper based and computer based examinations.

The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide within any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For this examination regulation *issued* or legislation *passed* on or before 30th September 2013, will be assessed from February 2014 to August 31st 2015. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

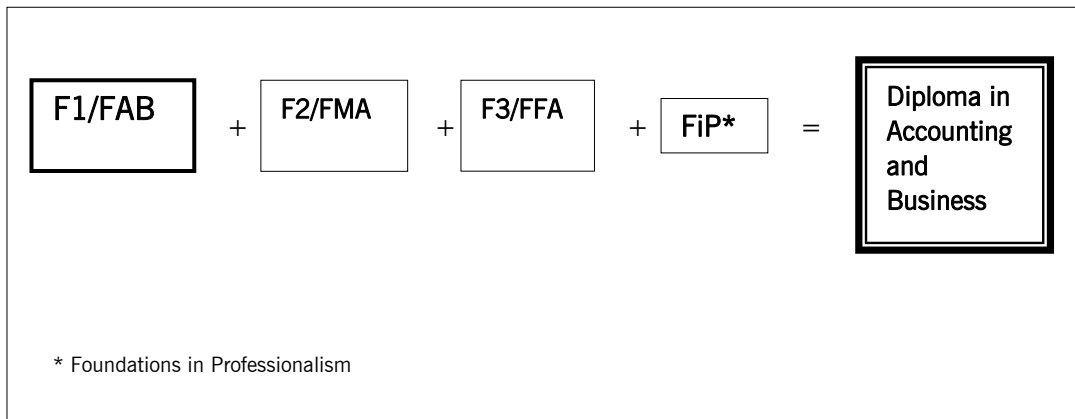
The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

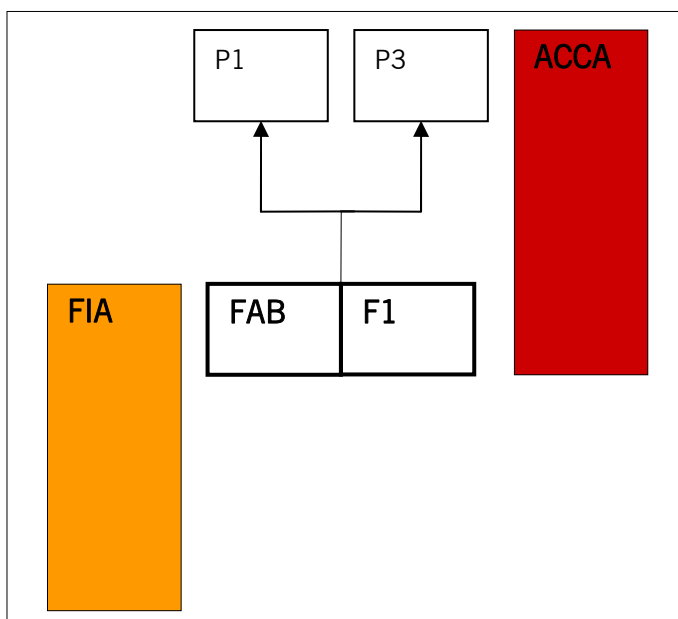
Qualification structure

The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level. Students are recommended to enter Foundations in Accountancy at the level which is most appropriate to their needs and abilities and to take examinations in order, but this is not a requirement.



Syllabus

AIM

To introduce 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.

RATIONALE

The syllabus for FAB/F1, *Accountant in Business* 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 syllabus 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 syllabus then 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 syllabus then introduces key leadership, management and people issues such as effective individual and team behaviour, motivation and personal effectiveness.

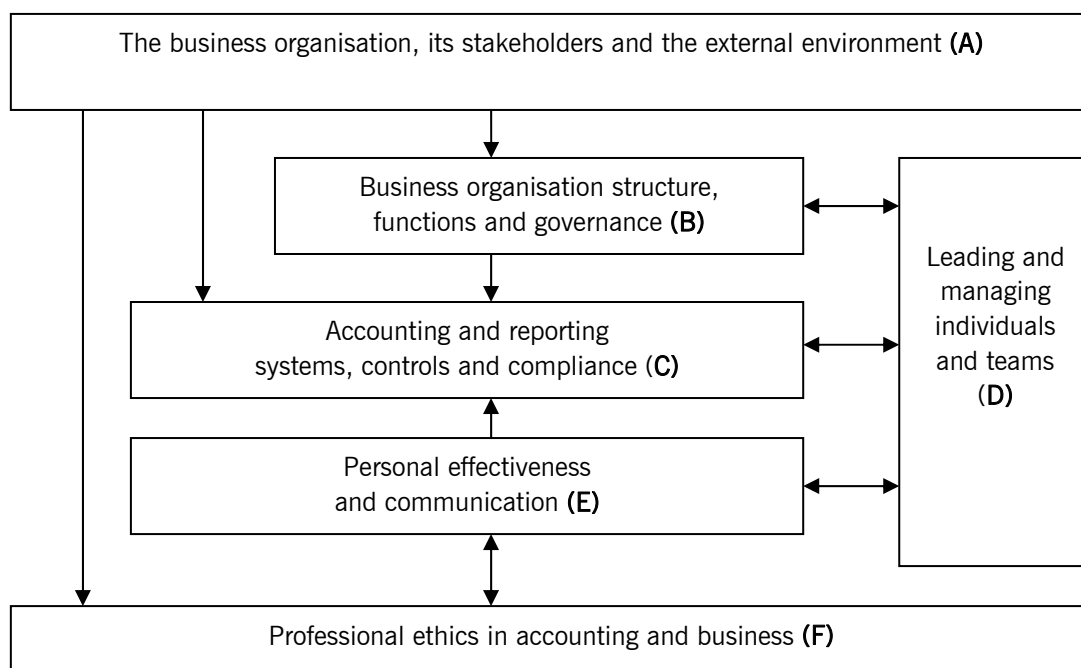
The final section of the syllabus examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Understand the purpose and types of businesses and how they interact with key stakeholders and the external environment.
- B** Understand business organisation structure, functions and the role of corporate governance
- C** Recognise the function of accountancy and audit in communicating, reporting and assuring financial information and in effective financial control and compliance
- D** Recognise the principles of authority and leadership and how teams and individuals are recruited, managed, motivated and developed.
- E** Understand the importance of personal effectiveness as the basis for effective team and organisational behaviour.
- F** 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

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The business organisation, its stakeholders and the external environment

1. The purpose and types of business organisation
2. Stakeholders in business organisations
3. Political and legal factors affecting business
4. Macroeconomic factors
5. Micro economic factors
6. Social and demographic factors
7. Technological factors
8. Environmental factors
9. Competitive factors

B Business organisational structure, functions and governance

1. The formal and informal business organisation
2. Business organisational structure and design
3. Organisational culture in business
4. Committees in business organisations
5. Governance and social responsibility in business

C Accounting and reporting systems, controls and compliance

1. The relationship between accounting and other business functions
2. Accounting and finance functions within business organisations
3. Principles of law and regulation governing accounting and auditing
4. The sources and purpose of internal and external financial information, provided by business

5. Financial systems, procedures and related IT applications
6. Internal controls, authorisation, security of data and compliance within business
7. Fraud and fraudulent behaviour and their prevention in business, including money laundering.

D Leading and managing individuals and teams

1. Leadership, management and supervision
2. Recruitment and selection of employees
3. Individual and group behaviour in business organisations
4. Team formation, development and management
5. Motivating individuals and groups
6. Learning and training at work
7. Review and appraisal of individual performance.

E Personal effectiveness and communication

1. Personal effectiveness techniques
2. Consequences of ineffectiveness at work
3. Competence frameworks and personal development
4. Sources of conflicts and techniques for conflict resolution and referral
5. Communicating in business.

F Professional ethics in accounting and business

1. Fundamental principles of ethical behaviour
2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession
3. Corporate codes of ethics
4. Ethical conflicts and dilemmas

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 30 two mark objective questions and 16 one mark objective questions. Section B will contain 6 four mark multi-task questions each of which will examine one of the six main sections of the syllabus. .

Study Guide

A THE BUSINESS ORGANISATION, ITS STAKEHOLDERS AND THE EXTERNAL ENVIRONMENT

1. The purpose and types of business organisation

- a) Define 'business organisations' and explain why they are formed.^[K]
- b) Describe common features of business organisations.^[K]
- c) Outline how business organisations differ.^[K]
- d) List the industrial and commercial sectors in which business organisations operate.^[K]
- e) Identify the different types of business organisation and their main characteristics:^[K]
 - i) Commercial
 - ii) Not-for-profit
 - iii) Public sector
 - iv) Non-governmental organisations
 - v) Cooperatives

2. Stakeholders in business organisations

- a) Define stakeholders and explain the agency relationship in business and how it may vary in different types of business organisation.^[K]
- b) Define internal, connected and external stakeholders and explain their impact on the organisation.^[K]
- c) Identify the main stakeholder groups and the objectives of each group.^[K]
- d) Explain how the different stakeholder groups interact and how their objectives may conflict with one another.^[K]
- e) Compare the power and influence of various stakeholder groups and how their needs should be accounted for, such as under the Mendelow framework.^[K]

3. Political and legal factors affecting business

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

4. Macro-economic factors

- a) Define macro-economic policy and explain its objectives.^[K]
- b) 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.^[K]
- c) Explain the impact of economic issues on the individual, the household and the business:^[K]
 - i) Inflation
 - ii) Unemployment
 - iii) Stagnation
 - iv) International payments disequilibrium.
- d) Describe the main types of economic policy that may be implemented by government and supra-national bodies to maximise economic welfare.^[K]
- e) Recognise the impact of fiscal and monetary policy measures on the individual, the household and businesses.^[K]

5. Micro economic factors

- a) Define the concept of demand and supply for goods and services.^[K]
- b) Explain elasticity of demand and the impact of substitute and complementary goods.^[K]
- c) Explain the economic behaviour of costs in the short and long term.^[K]
- d) Define perfect, competition, oligopoly, monopolistic competition and monopoly.^[K]

6. Social and demographic factors

- a) Explain the medium and long-term effects of social and demographic trends on business outcomes and the economy.^[K]
- b) Describe the impact of changes in social structure, values, attitudes and tastes on the organisation.^[K]
- c) Identify and explain the measures that governments may take in response to the medium and long-term impact of demographic change.^[K]

7. Technological factors

- a) Explain the potential effects of technological change on the organisation structure and strategy:^[K]
 - i) Downsizing
 - ii) Delaying
 - iii) Outsourcing
- b) Describe the impact of information technology and information systems development on business processes.^[K]

8. Environmental factors

- a) List ways in which the businesses can affect or be affected by its physical environment.^[K]
- b) Describe ways in which businesses can operate more efficiently and effectively to limit damage to the environment.^[K]
- c) Identify the benefits of economic sustainability to stakeholders.^[K]

9. Competitive factors

- a) Identify a business's strengths, weaknesses opportunities and threats (SWOT) in a market and the main sources of competitive advantage.^[K]
- b) Identify the main elements within Porter's value chain and explain the meaning of a value network'.^[K]
- c) Explain the factors or forces that influence the level of competitiveness in an industry or sector using Porter's five forces model.^[K]
- d) Describe the activities of an organisation that affect its competitiveness:^[K]
 - i) Purchasing
 - ii) Production
 - iii) Marketing
 - iv) Service

B BUSINESS ORGANISATION STRUCTURE, FUNCTIONS AND GOVERNANCE

1. The formal and informal business organisation

- a) Explain the informal organisation and its relationship with the formal organisation.^[K]
- b) Describe the impact of the informal organisation on the business.^[K]

2. Business organisation structure and design

- a) Describe the different ways in which formal organisations may be structured ^[K]:
 - (i) Entrepreneurial
 - (ii) Functional
 - (iii) Matrix
 - (iv) Divisional: (geographical, by product, or by customer type)
 - (v) Boundaryless: (virtual, hollow or modular)
- b) Explain basic organisational structure concepts:^[K]
 - i) Separation of ownership and management
 - ii) Separation of direction and management
 - iii) Span of control and scalar chain
 - iv) Tall and flat organisations
 - (v) Outsourcing and offshoring,
 - (vi) Shared services approach

- c) Explain the characteristics of the strategic, tactical and operational levels in the organisation in the context of the Anthony hierarchy.^[K]
- d) Explain centralisation and decentralisation and list their advantages and disadvantages.^[K]
- e) Describe the roles and functions of the main departments in a business organisation:^[K]
 - i) Research and development
 - ii) Purchasing
 - iii) Production
 - iv) Direct service provision
 - v) Marketing
 - vi) Administration
 - vii) Finance.
- f) Explain the role of marketing in an organisation:^[K]
 - i) Definition of marketing
 - ii) Marketing mix
 - iii) Relationship of the marketing plan to the strategic plan

3. Organisational culture in business

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

4. Committees in business organisations

- a) Explain the purposes of committees.^[K]
- b) Describe the types of committee used by business organisations^[K]
- c) List the advantages and disadvantages of committees.^[K]
- d) Explain the roles of the Chair and Secretary of a committee.^[K]

5. Governance and social responsibility in business

- a) Explain the agency concept in relation to corporate governance.^[K]
- b) Define corporate governance and social responsibility and explain their importance in contemporary organisations.^[K]
- c) Explain the responsibility of organisations to maintain appropriate standards of corporate governance and corporate social responsibility.^[K]
- d) Briefly explain the main recommendations of best practice in effective corporate governance:^[K]
 - i) Executive and non-executive directors
 - ii) Remuneration committees
 - iii) Audit committees
 - iv) Public oversight
- e) Explain how organisations take account of their social responsibility objectives through analysis of the needs of internal, connected and external stakeholders.^[K]
- f) Identify the social and environmental responsibilities of business organisations to internal, connected and external stakeholders.^[K]

C ACCOUNTING AND REPORTING SYSTEMS, CONTROLS AND COMPLIANCE

1. The relationship between accounting and other business functions

- a) Explain the relationship between accounting and other key functions within the business such as procurement, production and marketing.^[K]
- b) Explain financial considerations in production and production planning.^[K]
- c) Identify the financial issues associated with marketing.^[S]
- d) Identify the financial costs and benefits of effective service provision.^[S]

2. Accounting and finance functions within business

- a) Explain the contribution of the accounting function to the formulation, implementation, and control of the organisation's policies, procedures, and performance.^[K]
- b) Identify and describe the main financial accounting functions in business:^[K]
 - i) recording financial information
 - ii) codifying and processing financial information
 - iii) preparing financial statements
- c) Identify and describe the main management accounting and performance management functions in business:^[K]
 - i) Recording and analysing costs and revenues
 - ii) Providing management accounting information for decision-making
 - iii) Planning and preparing budgets and exercising budgetary control.
- d) Identify and describe the main finance and treasury functions:^[K]
 - i) Calculating and mitigating business tax liabilities
 - ii) Evaluating and obtaining finance
 - iii) Managing working capital
 - iv) Treasury and risk management.
- e) Identify and describe the main audit and assurance roles in business
 - i) Internal audit
 - ii) External audit.^[K]
- f) Explain the main functions of the internal auditor and the external auditor and how they differ.^[K]

3. Principles of law and regulation governing accounting and audit

- a) Explain basic legal requirements in relation to retaining and submitting proper records and preparing and auditing financial reports.^[K]
- b) Explain the broad consequences of failing to comply with the legal requirements for maintaining and filing accounting records.^[K]

- c) Explain how the international accountancy profession regulates itself through the establishment of reporting standards and their monitoring.^[K]

4. The sources and purpose of internal and external financial information, provided by business

- a) Explain the various business purposes for which the following financial information is required:^[K]
 - (i) The statement of profit or loss
 - (ii) The statement of financial position
 - (iii) The statement of cash flows
 - (iv) Sustainability and integrated reports
- b) Describe the main purposes of the following types of management accounting reports.^[K]:
 - i) Cost schedules
 - (ii) Budgets
 - (iii) Variance reports

5. Financial systems, procedures and related IT applications

- a) Identify an organisation's system requirements in relation to the objectives and policies of the organisation.^[S]
- b) Describe the main financial systems used within an organisation:^[S]
 - i) Purchases and sales invoicing
 - ii) Payroll
 - iii) Credit control
 - iv) Cash and working capital management.
- c) Explain why it is important to adhere to policies and procedures for handling clients' money.^[K]
- d) Identify weaknesses, potential for error and inefficiencies in accounting systems.^[S]
- e) Recommend improvements to accounting systems to prevent error and fraud and to improve overall efficiency.^[S]
- f) Explain why appropriate controls are necessary in relation to business and IT systems and procedures.^[S]

- g) Identify business uses of computers and IT software applications.^[S]
 - i) Spreadsheet applications
 - ii) Database systems
 - iii) Accounting packages
- h) Describe and compare the relative benefits and limitations of manual and automated financial systems that may be used in an organisation.^[K]

6. Internal controls, authorisation, security and compliance within business

- a) Explain internal control and internal check.^[K]
- b) Explain the importance of internal financial controls in an organisation.^[K]
- c) Describe the responsibilities of management for internal financial control.^[K]
- d) Describe the features of effective internal financial control procedures in an organisation, including authorisation.^[K]
- e) Identify and describe the types of information technology and information systems used by the business organisation for internal control.^[S]
- f) Identify and describe features for protecting the security of IT systems and software within business.^[S]
- g) Describe general and application systems controls in business.^[K]

7. Fraud and fraudulent behaviour and their prevention in business.

- a) Explain the circumstances under which fraud is likely to arise.^[K]
- b) Identify different types of fraud in the organisation.^[K]
- c) Explain the implications of fraud for the organisation.^[K]
- d) Explain the role and duties of individual managers in the fraud detection and prevention process.^[K]
- e) Define the term money laundering.^[K]

- f) Give examples of recognised offences under typical money laundering regulations.^[K]
- g) Identify methods for detecting and preventing money laundering.^[K]
- h) Explain how suspicions of money laundering should be reported to the appropriate authorities.^[K]

D LEADING AND MANAGING INDIVIDUALS AND TEAMS

1. Leadership, management and supervision

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

2. Recruitment and selection of employees

- a) Explain the importance of effective recruitment and selection to the organisation.^[K]
- b) Describe the recruitment and selection process and explain the stages in this process.^[K]
- c) Describe the roles of those involved in the recruitment and selection processes.^[K]
- d) Describe the methods through which organisations seek to meet their recruitment needs.^[K]

- e) Explain the advantages and disadvantages of different recruitment and selection methods.^[K]
- f) Explain the purposes and benefits of diversity and equal opportunities policies within the human resources plan.^[K]
- g) Explain the practical steps that an organisation may take to ensure the effectiveness of its diversity and equal opportunities policy.^[K]

3. Individual and group behaviour in business organisations

- a) Describe the main characteristics of individual and group behaviour.^[K]
- b) Outline the contributions of individuals and teams to organisational success.^[K]
- c) Identify individual and team approaches to work.^[K]

4. Team formation, development and management

- a) Explain the differences between a group and a team.^[K]
- b) Explain the purposes of a team.^[K]
- c) Explain the role of the manager in building the team and developing individuals within the team.^[K]
 - i) Belbin's team roles theory
 - ii) Tuckman's theory of team development
- d) List the characteristics of effective and ineffective teams.^[K]
- e) Describe tools and techniques that can be used to build the team and improve team effectiveness.^[K]

5. Motivating individuals and groups

- a) Define motivation and explain its importance to the organisation, teams and individuals.^[K]
- b) Explain content and process theories of motivation: Maslow, Herzberg, McGregor, and Vroom.^[K]

- c) Explain and identify types of intrinsic and extrinsic reward.^[K]
- d) Explain how reward systems can be designed and implemented to motivate teams and individuals.^[K]

6. Learning and training at work

- a) Explain the importance of learning and development in the workplace.^[K]
- b) Describe the learning process: Honey and Mumford, Kolb.^[K]
- c) Describe the role of the human resources department and individual managers in the learning process.^[K]
- d) Describe the training and development process: identifying needs, setting objectives, programme design, delivery and validation.^[K]
- e) Explain the terms 'training', 'development' and 'education' and the characteristics of each.^[K]
- f) List the benefits of effective training and development in the workplace.^[K]

7. Review and appraisal of individual performance

- a) Explain the importance of performance assessment.^[K]
- b) Explain how organisations assess the performance of human resources.^[K]
- c) Define performance appraisal and describe its purposes.^[K]
- d) Describe the performance appraisal process.^[K]
- e) Explain the benefits of effective appraisal.^[K]
- f) Identify the barriers to effective appraisal and how these may be overcome.^[K]

E. PERSONAL EFFECTIVENESS AND COMMUNICATION IN BUSINESS

1. Personal effectiveness techniques

- a) Explain the importance of effective time management.^[K]
- b) Describe the barriers to effective time management and how they may be overcome.^[K]
- c) Describe the role of information technology in improving personal effectiveness.^[S]

2. Consequences of ineffectiveness at work

- a) Identify the main ways in which people and teams can be ineffective at work.^[S]
- b) Explain how individual or team ineffectiveness can affect organisational performance.^[K]

3. Competence frameworks and personal development

- a) Describe the features of a 'competence framework'.^[S]
- b) Explain how a competence framework underpins professional development needs.^[S]
- c) Explain how personal and continuous professional development can increase personal effectiveness at work.^[S]
- d) Explain the purpose and benefits of coaching, mentoring and counselling in promoting employee effectiveness.^[K]
- e) Describe how a personal development plan should be formulated, implemented, monitored and reviewed by the individual.^[S]

4. Sources of conflict and techniques for conflict resolution and referral

- a) Identify situations where conflict at work can arise.^[S]
- b) Describe how conflict can affect personal and organisational performance.^[S]

- c) Identify ways in which conflict can be managed.^[S]

5. Communicating in business

- a) Describe methods of communication used in the organisation and how they are used.^[K]
- b) 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.^[K]
- c) List the attributes of good quality information.^[K]
- d) Explain a simple communication model: sender, message, receiver, feedback, noise.^[K]
- e) Explain formal and informal communication and their significance in the workplace.^[K]
- f) Identify the consequences of ineffective communication.^[K]
- g) Describe the attributes of effective communication.^[K]
- h) Describe the barriers to effective communication and identify practical steps that may be taken to overcome them.^[K]
- i) Identify the main patterns of communication.^[K]

F PROFESSIONAL ETHICS IN ACCOUNTING AND BUSINESS

1. Fundamental principles of ethical behaviour

- a) Define business ethics and explain the importance of ethics to the organisation and to the individual.^[K]
- b) Describe and demonstrate the following principles from the IFAC (IESBA) code of ethics, using examples.^[K]
 - (i) Integrity
 - (ii) Objectivity
 - (iii) Professional competence
 - (iv) Confidentiality
 - (v) Professional behaviour
- c) Describe organisational values which promote ethical behaviour using examples.^[K]

- (i) Openness
- (ii) Trust
- (iii) Honesty
- (iv) Respect
- (v) Empowerment
- (vi) Accountability

d) List the main safeguards against ethical threats and dilemmas.^[K]

d) Explain the concept of acting in the public interest.^[K]

2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession

- a) Recognise the purpose of international and organisational codes of ethics and codes of conduct, IFAC (IESBA), ACCA etc.^[K]
- b) Describe how professional bodies and regulators promote ethical awareness and prevent or punish illegal or unethical behaviour.^[K]
- c) Identify the factors that distinguish a profession from other types of occupation.^[1]
- d) Explain the role of the accountant in promoting ethical behaviour.^[K]
- e) Recognise when and to whom illegal, or unethical conduct by anyone within or connected to the organisation should be reported ^[K]

3. Corporate codes of ethics

- a) Define corporate codes of ethics.^[K]
- b) Describe the typical contents of a corporate code of ethics.^[K]
- c) Explain the benefits of a corporate code of ethics to the organisation and its employees.^[K]

4. Ethical conflicts and dilemmas

- a) Describe situations where ethical conflicts can arise.^[K]
- b) Identify the main threats to ethical behaviour.^[K]
- c) Outline situations at work where ethical dilemmas may be faced.^[K]

SUMMARY OF CHANGES TO F1/FAB

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers. These syllabus changes are effective from February 2014 and thereafter will be updated on 1st September each year, from September 2015 onwards. F1/FAB is being restructured with effect from February 2014, to introduce longer style questions. The new examination will consist of two sections. Section A will contain 30 two mark objective questions and 16 one mark objective questions. Section B will contain 6 four mark multi-task questions each of which will examine one of the six main sections of the syllabus.

There are other changes to the syllabus to reflect the latest business and educational developments affecting this paper. These are summarised in the table below.

Section and subject area	Syllabus content
A1e) amended	Identify the different types of business organisation and their main characteristics: ^[K] <ul style="list-style-type: none"> i) Commercial ii) Not-for-profit iii) Public sector iv) Non-governmental organisations v) Cooperatives
A4a) amended	Define macro-economic policy and explain its objectives. ^[K]
A5d) amended	Define perfect, competition, oligopoly, monopolistic competition and monopoly. ^[K]
Old A9b) becomes new A9d)	Describe the activities of an organisation that affect its competitiveness: ^[K] <ul style="list-style-type: none"> i) purchasing ii) production iii) marketing iv) service
New A9b) added	Identify the main elements within Porter's value chain and explain the meaning of a value network. ^[K]
B2a) amended to include boundaryless organisations and restructured slightly	Describe the different ways in which formal organisations may be structured ^[K] : <ul style="list-style-type: none"> (i) Entrepreneurial (ii) Functional (iii) Matrix (iv) Divisional: (geographical, by product, or by customer type) (v) Boundaryless: (virtual, hollow or modular)
B2b) amended to include outsourcing and offshoring and the shared services approach	Explain basic organisational structure concepts: ^[K] <ul style="list-style-type: none"> ii) Separation of ownership and management ii) Separation of direction and management iii) Span of control and scalar chain iv) Tall and flat organisations (v) Outsourcing and offshoring, (vi) Shared services approach
B5a) amended to refer to agency.	Explain the agency concept in relation to corporate governance. ^[K]
B5b) (i) amended to take into account executive directors	Briefly explain the main recommendations of best practice in effective corporate governance: ^[K] <ul style="list-style-type: none"> i) Executive and non-executive directors

Section and subject area	Syllabus content
C2e) (i) amended	Identify and describe the main audit and assurance roles in business i) internal audit
C4a) amended to update IAS 1 terminology and to include sustainability and integrated reports	Explain the various business purposes for which the following financial information is required: ^[K] (i) The statement of profit or loss (ii) The statement of financial position (iii) The statement of cash flows (iv) Sustainability and integrated reports
D2f) and g) merged and old g) deleted	Explain the purposes and benefits of diversity and equal opportunities policies within the human resources plan. ^[K]
D4b) amended	Explain the purposes of a team. ^[K]
D7g) deleted	Explain how the effectiveness of performance appraisal may be evaluated. ^[K]
E4c) and d) merged and old c) deleted	Identify ways in which conflict can be managed. ^[S]
E5a) deleted	Define communications. ^[K]
E5b) amended	Describe methods of communication used in the organisation and how they are used. ^[K]
E5g) amended	Identify the main patterns of communication. ^[K]

Management Accounting (F2/FMA) February 2014 to August 2015

This syllabus and study guide are designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this examination and other examinations which precede or follow it. Some examinations are directly underpinned by others. These links are shown as solid line arrows. The indirect links are shown as dotted line arrows. The relational diagram therefore indicates where learners are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the examination and indicates in the broadest sense the capabilities to be developed within the examination.

Main capabilities

This syllabus's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities or sections of the syllabus are linked. The rationale also

explains in further detail what the examination intends to assess and how.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed within any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes indicate what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^K and the assessment of skills is denoted by the superscript^S.

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS AND EDUCATION RECOGNITION

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Foundations examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Foundations examinations are assessed by two-hour paper based and computer based examinations.

The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide within any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For this examination regulation *issued* or legislation *passed* on or before 30th September 2013, will be assessed from February 2014 to August 31st 2015. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

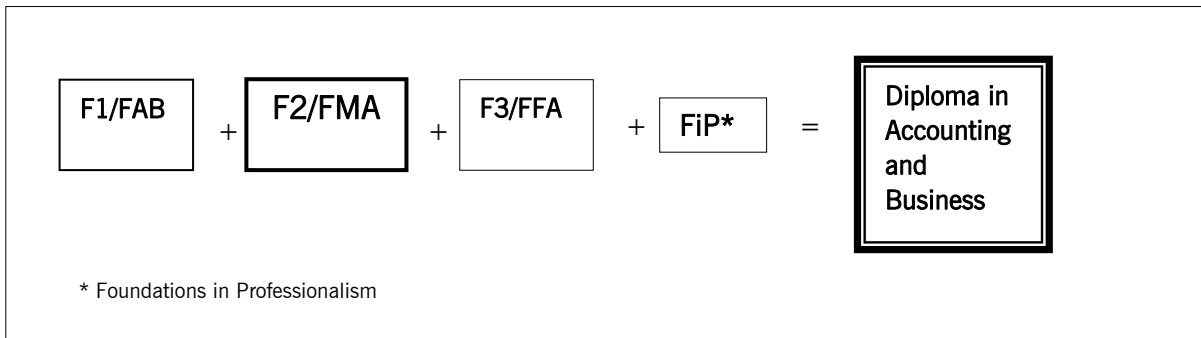
The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

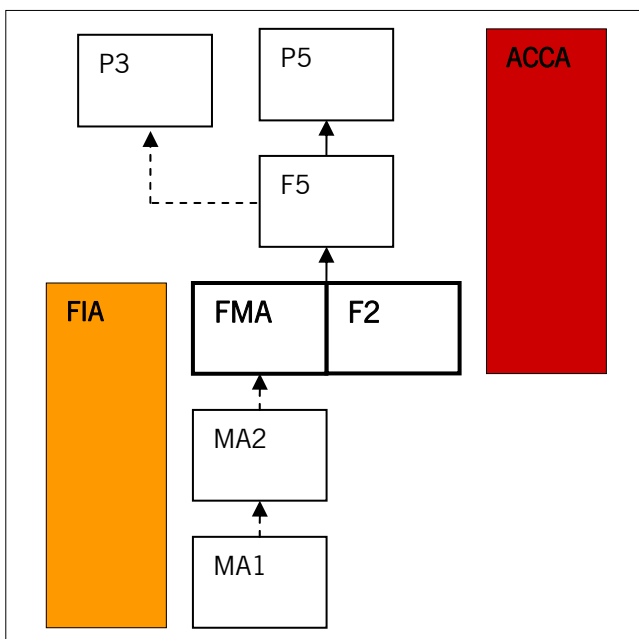
Qualification structure

The qualification structure requires candidates who wish to gain the Diploma in Accounting and Business to pass the F1/FAB, the F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level. Students are recommended to enter Foundations in Accountancy at the level which is most appropriate to their needs and abilities and to take examinations in order, but this is not a requirement.



Syllabus

AIM

To develop knowledge and understanding of management accounting techniques to support management in planning, controlling and monitoring performance in a variety of business context

RATIONALE

The syllabus for Paper FMA/F2, *Management Accounting*, introduces candidates to elements of management accounting which are used to make and support decisions.

The syllabus 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 syllabus then looks at the preparation and use of budgeting and standard costing and variance analysis as essential tools for planning and

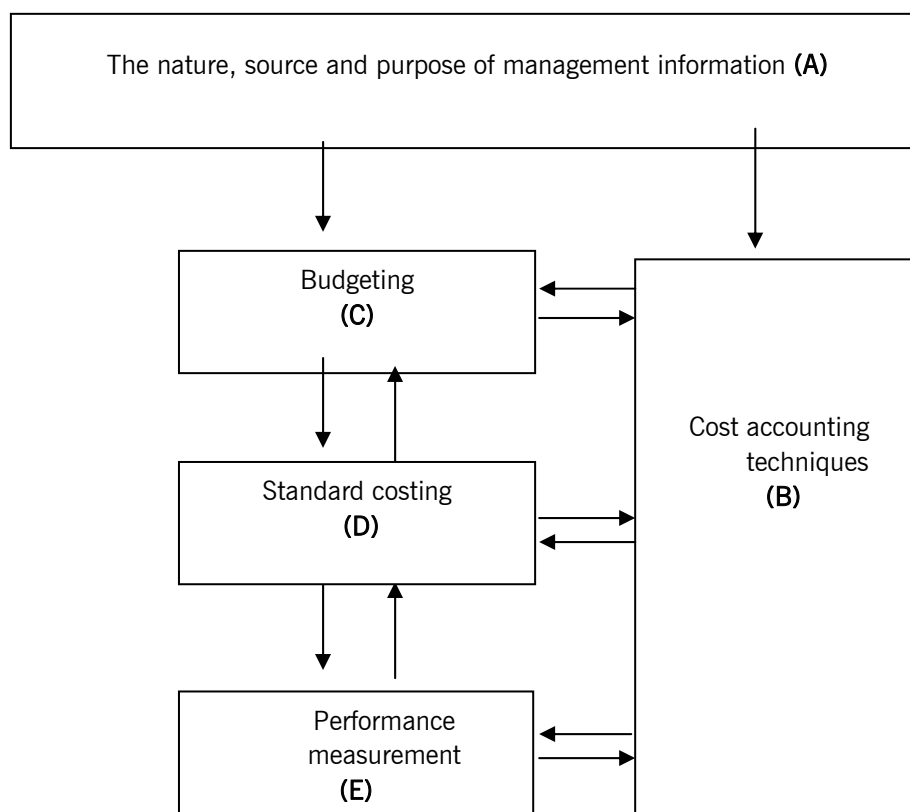
controlling business costs. The syllabus concludes with an introduction to measuring and monitoring the performance of an organisation

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

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

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The nature, source and purpose of management information

1. Accounting for management
2. Sources of data
3. Cost classification
4. Presenting information

B Cost accounting techniques.

1. Accounting for material, labour and overheads
2. Absorption and marginal costing
3. Cost accounting methods
4. Alternative cost accounting principles

C Budgeting

1. Nature and purpose of budgeting
2. Statistical techniques
3. Budget preparation
4. Flexible budgets
5. Capital budgeting and discounted cash flow
6. Budgetary control and reporting
7. Behavioural aspects of budgeting

D Standard costing

1. Standard costing system
2. Variance calculations and analysis
3. Reconciliation of budgeted and actual profit

E Performance measurement

1. Performance measurement - overview
2. Performance measurement - application
3. Cost reductions and value enhancement
4. Monitoring performance and reporting

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 35 two mark objective questions. Section B will contain 3 ten mark multi-task questions each of which will examine Budgeting, Standard costing and Performance measurement sections of the syllabus.

Study Guide

(Note: Derivation of random samples will not be examined)

A THE NATURE, SOURCE AND PURPOSE OF MANAGEMENT INFORMATION

1. Accounting for management

- a) Describe the purpose and role of cost and management accounting within an organisation.^[k]
- b) Compare and contrast financial accounting with cost and management accounting.^[k]
- c) Outline the managerial processes of planning, decision making and control.^[k]
- d) Explain the difference between strategic, tactical and operational planning.^[k]
- e) Distinguish between data and information.^[k]
- f) Identify and explain the attributes of good information.^[k]
- g) Explain the limitations of management information in providing guidance for managerial decision-making.^[k]

2. Sources of data

- a) Describe sources of information from within and outside the organisation (including government statistics, financial press, professional or trade associations, quotations and price list).^[k]
- b) Explain the uses and limitations of published information/data (including information from the internet).^[k]
- c) Describe the impact of general economic environment on costs/revenue.^[k]
- d) Explain sampling techniques (random, systematic, stratified, multistage, cluster and quota).^[k]
- e) choose an appropriate sampling method in a specific situation.^[s]

3. Cost classification

- a) Explain and illustrate production and non-production costs.^[k]
- b) Describe the different elements of non production costs- administrative, selling, distribution and finance.^[k]
- c) Describe the different elements of production cost- materials, labour and overheads.^[k]
- d) Explain the importance of the distinction between production and non production costs when valuing output and inventories.^[k]
- e) Explain and illustrate with examples classifications used in the analysis of the product/service costs including by function, direct and indirect, fixed and variable, stepped fixed and semi variable costs.^[s]
- f) Explain and illustrate the use of codes in categorising transaction.^[k]
- g) Describe and illustrate, graphically, different types of cost behaviour.^[s]
- h) 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.^[s]
- i) Explain the structure of linear functions and equations.^[s]
- j) Explain and illustrate the concept of cost objects, cost units and cost centres.^[s]
- k) Distinguish between cost, profit, investment and revenue centres.^[k]
- l) Describe the differing needs for information of cost, profit, investment and revenue centre managers.^[k]

4. Presenting information

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

B COST ACCOUNTING TECHNIQUES

1. Accounting for material, labour and overheads

- a) Accounting for materials
 - (i) Describe the different procedures and documents necessary for the ordering, receiving and issuing of materials from inventory.^[k]
 - (ii) Describe the control procedures used to monitor physical and 'book' inventory and to minimise discrepancies and losses.^[k]
 - (iii) Interpret the entries and balances in the material inventory account.^[s]
 - (iv) Identify, explain and calculate the costs of ordering and holding inventory (including buffer inventory)^[s]
 - (v) Calculate and interpret optimal reorder quantities.^[s]
 - (vi) Calculate and interpret optimal reorder quantities when discounts apply.^[s]
 - (vii) Produce calculations to minimise inventory costs when inventory is gradually replenished.^[s]
 - (viii) Describe and apply appropriate methods for establishing reorder levels where demand in the lead time is constant.^[s]
 - (ix) Calculate the value of closing inventory and material issues using LIFO, FIFO and average methods.^[s]
- b) Accounting for labour
 - (i) Calculate direct and indirect costs of labour.^[s]
 - (ii) Explain the methods used to relate input labour costs to work done.^[k]
 - (iii) Prepare the journal and ledger entries to record labour cost inputs and outputs.^[s]

- (iv) Describe different remuneration methods: time-based systems, piecework systems and individual and group incentive schemes.^[k]
- (v) Calculate the level, and analyse the costs and causes of labour turnover.^[s]
- (vi) Explain and calculate labour efficiency, capacity and production volume ratios.^[s]
- (vii) Interpret the entries in the labour account.^[s]

c) Accounting for overheads

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

2. Absorption and marginal costing

- a) Explain the importance of, and apply, the concept of contribution.^[s]
- b) Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination.^[s]
- c) Calculate profit or loss under absorption and marginal costing.^[s]
- d) Reconcile the profits or losses calculated under absorption and marginal costing.^[s]
- e) Describe the advantages and disadvantages of absorption and marginal costing.^[k]

3. Cost accounting methods

- a) Job and batch costing:

- (i) Describe the characteristics of job and batch costing.^[k]
- (ii) Describe the situations where the use of job or batch costing would be appropriate.^[k]
- (iii) Prepare cost records and accounts in job and batch costing situations.^[s]
- (iv) Establish job and batch costs from given information.^[s]

b) Process costing

- (i) Describe the characteristics of process costing.^[k]
- (ii) Describe the situations where the use of process costing would be appropriate.^[s]
- (iii) Explain the concepts of normal and abnormal losses and abnormal gains.^[k]
- (iv) Calculate the cost per unit of process outputs.^[s]
- (v) Prepare process accounts involving normal and abnormal losses and abnormal gains.^[s]
- (vi) Calculate and explain the concept of equivalent units.^[s]
- (vii) Apportion process costs between work remaining in process and transfers out of a process using the weighted average and FIFO methods.^[s]
- (viii) Prepare process accounts in situations where work remains incomplete.^[s]
- (ix) Prepare process accounts where losses and gains are identified at different stages of the process.^[s]
- (x) Distinguish between by-products and joint products.^[k]
- (xi) Value by-products and joint products at the point of separation.^[s]
- (xii) Prepare process accounts in situations where by-products and/or joint products occur.^[s]

(Situations involving work-in-process and losses in the same process are excluded).

c) Service/operation costing

- (i) Identify situations where the use of service/operation costing is appropriate.^[k]
- (ii) Illustrate suitable unit cost measures that may be used in different service/operation situations.^[s]
- (iii) Carry out service cost analysis in simple service industry situations.^[s]

4 Alternative cost accounting

- a) Explain activity based costing (ABC), target costing, life cycle costing and total quality management (TQM) as alternative cost management techniques.^[k]
- b) Differentiate ABC, Target costing and life cycle costing from the traditional costing techniques (note: calculations are not required).^[k]

C BUDGETING

1. Nature and purpose of budgeting

- a) Explain why organisations use budgeting.^[k]
- b) Describe the planning and control cycle in an organisation.^[k]
- c) Explain the administrative procedures used in the budgeting process.^[k]
- d) 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).^[k]

2. Statistical techniques

- a) Explain the advantages and disadvantages of using high low method to estimate the fixed and variable element of costing.^[k]
- b) Construct scatter diagrams and lines of best fit.^[s]
- c) Analysis of cost data.
 - (i) Explain the concept of correlation coefficient and coefficient of determination.^[k]
 - (ii) Calculate and interpret correlation coefficient and coefficient of determination.^[s]
 - (iii) Establish a linear function using regression analysis and interpret the results.^[s]
- d) Use linear regression coefficients to make forecasts of costs and revenues.^[s]

- e) Adjust historical and forecast data for price movements.^[s]
- f) Explain the advantages and disadvantages of linear regression analysis.^[k]
- g) Describe the product life cycle and explain its importance in forecasting.^[k]
- h) Explain the principles of time series analysis (cyclical, trend, seasonal variation and random elements) .^[k]
- i) Calculate moving averages.^[s]
- j) calculation of trend, including the use of regression coefficients .^[s]
- k) Use trend and seasonal variation (additive and multiplicative) to make budget forecasts.^[s]
- l) Explain the advantages and disadvantages of time series analysis^[k]
- m) Explain the purpose of index numbers ^[k]
- n) Calculate simple index numbers for one or more variables.^[s]
- o) Explain the role and features of a computer spreadsheet system.^[k]
- p) Identify applications for computer spreadsheets and their use in cost and management accounting.^[s]

3. Budget preparation

- a) Explain the importance of principal budget factor in constructing the budget'.^[k]
- b) Prepare sales budgets^[s]
- c) Prepare functional budgets (production, raw materials usage and purchases, labour, variable and fixed overheads) ^[s]
- d) Prepare cash budgets^[s]

- e) Prepare master budgets (statement of profit or loss and statement of financial position) ^[s]

- f) Explain and illustrate 'what if' analysis and scenario planning ^[s]

4. Flexible budgets

- a) Explain the importance of flexible budgets in control^[k]
- b) Explain the disadvantages of fixed budgets in control^[k]
- c) Identify situations where fixed or flexible budgetary control would be appropriate^[s]
- d) Flex a budget to a given level of volume^[s]

5. Capital budgeting and discounted cash flows

- a) Discuss the importance of capital investment planning and control^[k]
- b) Define and distinguish between capital and revenue expenditure^[k]
- c) Outline the issues to consider and the steps involved in the preparation of a capital expenditure budget^[k]
- d) Explain and illustrate the difference between simple and compound interest, and between nominal and effective interest rates^[s]
- e) Explain and illustrate compounding and discounting^[s]
- f) Explain the distinction between cash flow and profit and the relevance of cash flow to capital investment appraisal^[k]
- g) Identify and evaluate relevant cash flows for individual investment decisions.^[s]
- h) Explain and illustrate the net present value (NPV) and internal rate of return (IRR) methods of discounted cash flow^[s]
- i) Calculate present value using annuity and perpetuity formulae^[s]
- j) Calculate NPV, IRR and payback (discounted and non-discounted) ^[s]

- k) Interpret the results of NPV, IRR and payback calculations of investment viability^[s]

6. Budgetary control and reporting

- a) Calculate simple variances between flexed budget, fixed budget and actual sales, costs and profits^[s]
- b) Discuss the relative significance of variances^[k]
- c) Explain potential action to eliminate variances^[k]
- d) Define the concept of responsibility accounting and its significance in control^[k]
- e) Explain the concept of controllable and uncontrollable costs^[k]
- f) Prepare control reports suitable for presentation to management. (to include recommendation of appropriate control action ^[s])

7. Behavioural aspects of budgeting

- a) Explain the importance of motivation in performance management^[k]
- b) Identify factors in a budgetary planning and control system that influence motivation^[s]
- c) Explain the impact of targets upon motivation^[k]
- d) Discuss managerial incentive schemes^[k]
- e) Discuss the advantages and disadvantages of a participative approach to budgeting^[k]
- f) Explain top down, bottom up approaches to budgeting^[k]

D STANDARD COSTING

1. Standard costing systems

- a) Explain the purpose and principles of standard costing. ^[k]
- b) Explain and illustrate the difference between standard, marginal and absorption costing^[k]

- c) Establish the standard cost per unit under absorption and marginal costing^[s]

2 Variance calculations and analysis

- a) Calculate sales price and volume variance.^[s]
- b) Calculate materials total, price and usage variance.^[s]
- c) Calculate labour total, rate and efficiency variance.^[s]
- d) Calculate variable overhead total, expenditure and efficiency variance^[s]
- e) Calculate fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency variance.^[s]
- f) Interpret the variances.^[s]
- g) Explain factors to consider before investigating variances, explain possible causes of the variances and recommend control action.^[s]
- h) Explain the interrelationships between the variances .^[k]
- i) Calculate actual or standard figures where the variances are given.^[k]

3 Reconciliation of budgeted and actual profit

- a) Reconcile budgeted profit with actual profit under standard absorption costing.^[s]
- b) Reconcile budgeted profit or contribution with actual profit or contribution under standard marginal costing.^[s]

E PERFORMANCE MEASUREMENT

1. Performance measurement overview

- a) Discuss the purpose of mission statements and their role in performance measurement^[k]
- b) Discuss the purpose of strategic and operational and tactical objectives and their role in performance measurement^[k]

- c) Discuss the impact of economic and market conditions on performance measurement^[k]
- d) Explain the impact of government regulation on performance measurement^[k]

2 Performance measurement - application

- a) Discuss and calculate measures of financial performance (profitability, liquidity, activity and gearing) and non financial measures^[s]
- b) Perspectives of the balanced scorecard
 - (i) discuss the advantages and limitations of the balanced scorecard^[k]
 - (ii) describe performance indicators for financial success, customer satisfaction, process efficiency and growth^[k]
 - (iii) discuss critical success factors and key performance indicators and their link to objectives and mission statements^[k]
 - (iv) establish critical success factors and key performance indicators in a specific situation^[s]
- c) Economy, efficiency and effectiveness
 - (i) explain the concepts of economy, efficiency and effectiveness^[k]
 - (ii) describe performance indicators for economy, efficiency and effectiveness^[k]
 - (iii) establish performance indicators for economy, efficiency and effectiveness in a specific situation^[s]
 - (iv) discuss the meaning of each of the efficiency, capacity and activity ratios^[k]
 - (v) calculate the efficiency, capacity and activity ratios in a specific situation^[s]
- d) Unit costs
 - (i) describe performance measures which would be suitable in contract and process costing environments^[k]
- e) Resource utilisation
 - (i) describe measures of performance utilisation in service and manufacturing environments^[k]
 - (ii) establish measures of resource utilisation in a specific situation^[s]
- f) Profitability
 - (i) calculate return on investment and residual income^[s]

- (ii) explain the advantages and limitations of return on investment and residual income^[k]

g) Quality of service

- (i) distinguish performance measurement issues in service and manufacturing industries^[k]
- (ii) describe performance measures appropriate for service industries^[k]

3. Cost reductions and value enhancement

- a) Compare cost control and cost reduction^[k]
- b) Describe and evaluate cost reduction methods^[s]
- c) Describe and evaluate value analysis^[s]

4 Monitoring performance and reporting

- a) Discuss the importance of non-financial performance measures^[k]
- b) Discuss the relationship between short-term and long-term performance^[k]
- c) Discuss the measurement of performance in service industry situations^[k]
- d) Discuss the measurement of performance in non-profit seeking and public sector organisations^[k]
- e) Discuss measures that may be used to assess managerial performance and the practical problems involved^[k]
- f) Discuss the role of benchmarking in performance measurement^[k]
- g) Produce reports highlighting key areas for management attention and recommendations for improvement^[s]

SUMMARY OF CHANGES TO F2/FMA

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers. These syllabus changes are effective from February 2014 and thereafter will be updated on 1st September each year, from September 2015 onwards.

F2/FMA is being restructured with effect from February 2014, to introduce longer style questions. The new examination will consist of two sections. Section A will contain 35 two mark objective questions. Section B will contain 3 ten mark multi-task questions each of which will examine Budgeting, Standard costing and Performance measurement sections of the syllabus

There are no other changes to the syllabus.

Financial Accounting (F3/FFA) February 2014 to August 2015

This syllabus and study guide are designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this examination and other examinations which precede or follow it. Some examinations are directly underpinned by others. These links are shown as solid line arrows. The indirect links are shown as dotted line arrows. The relational diagram therefore indicates where learners are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the examination and indicates in the broadest sense the capabilities to be developed within the examination.

Main capabilities

This syllabus's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities or sections of the syllabus are linked. The rationale also

explains in further detail what the examination intends to assess and how.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed within any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes indicate what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^K and the assessment of skills is denoted by the superscript^S.

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS AND EDUCATION RECOGNITION

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Foundations examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Foundations examinations are assessed by two-hour paper based and computer based examinations.

The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide within any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For this examination regulation *issued* or legislation *passed* on or before 30th September 2013, will be assessed from February 2014 to August 31st 2015. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

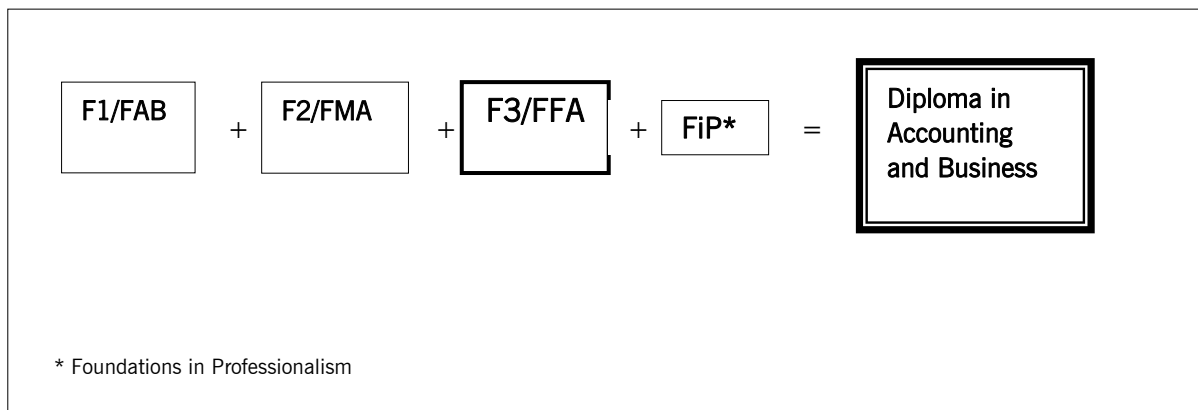
The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Qualification Structure

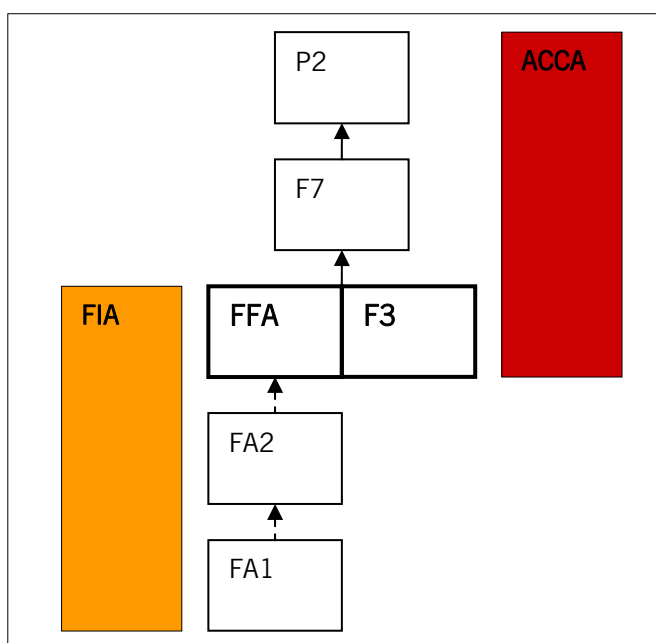
The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module



Syllabus Structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level.

Students are recommended to enter Foundations in Accountancy at the level which is most appropriate to their needs and to take examinations in order, but this is not a mandatory requirement



Syllabus

AIM

To develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements.

RATIONALE

The syllabus for Paper FFA/F3, *Financial Accounting*, introduces the candidate to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information. The syllabus then covers drafting financial statements and the principles of accounts preparation. The syllabus then concentrates in depth on recording, processing, and reporting business transactions and events. The syllabus then covers the use of the trial balance and how to identify and correct errors, and then the preparation of financial statements for incorporated and unincorporated entities. The syllabus then moves in two directions, firstly requiring candidates to be able to conduct a basic interpretation of financial statements; and secondly requiring the preparation of simple consolidated

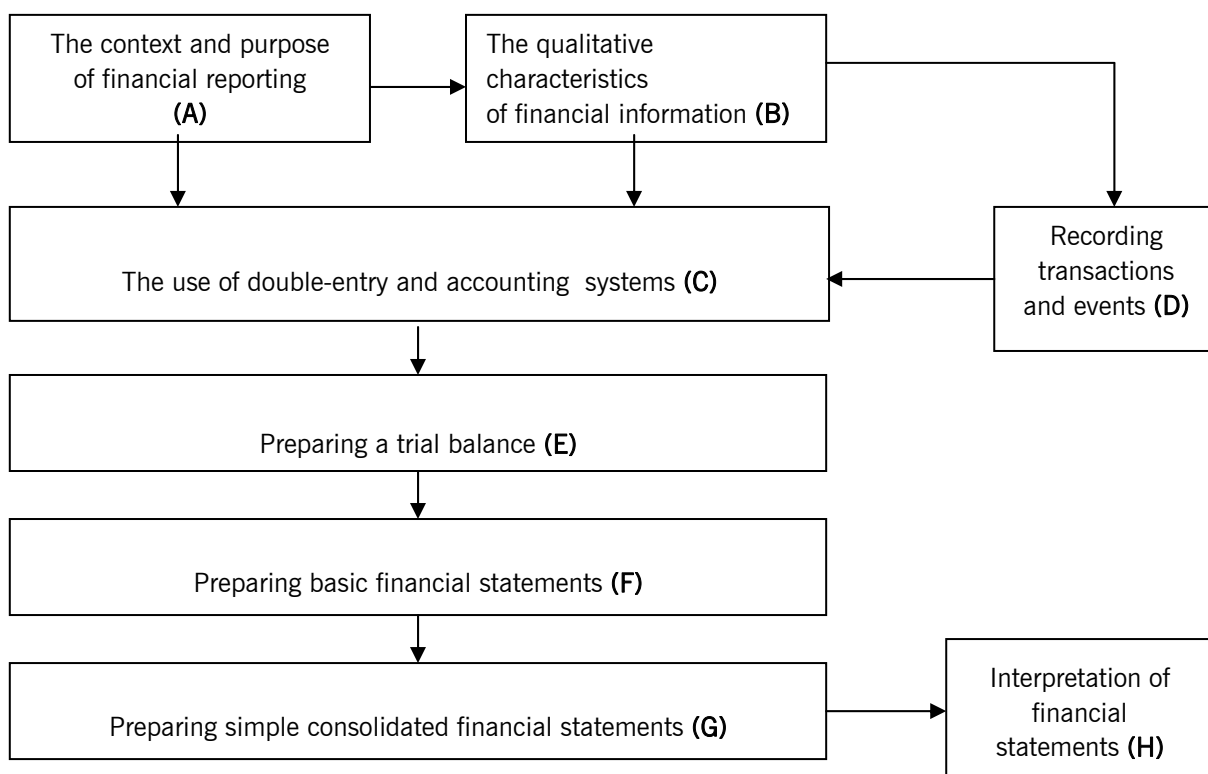
financial statements from the individual financial statements of group incorporated entities

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A. Explain the context and purpose of financial reporting
- B. Define the qualitative characteristics of financial information
- C. Demonstrate the use of double-entry and accounting systems
- D. Record transactions and events
- E. Prepare a trial balance (including identifying and correcting errors)
- F. Prepare basic financial statements for incorporated and unincorporated entities.
- G. Prepare simple consolidated financial statements
- H. Interpretation of financial statements

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The context and purpose of financial reporting

1. The scope and purpose of financial statements for external reporting
2. Users' and stakeholders' needs
3. The main elements of financial reports
4. The regulatory framework (legislation and regulation, reasons and limitations, relevance of accounting standards)
5. Duties and responsibilities of those charged with governance.

B The qualitative characteristics of financial information

1. The qualitative characteristics of financial information

C The use of double-entry and accounting systems

1. Double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information
2. Ledger accounts, books of prime entry, and journals

D Recording transactions and events

1. Sales and purchases
2. Cash
3. Inventory
4. Tangible non-current assets
5. Depreciation
6. Intangible non-current assets and amortisation
7. Accruals and prepayments
8. Receivables and payables
9. Provisions and contingencies

10. Capital structure and finance costs

E Preparing a trial balance

1. Trial balance
2. Correction of errors
3. Control accounts and reconciliations
4. Bank reconciliations
5. Suspense accounts

F Preparing basic financial statements

1. Statements of financial position
2. Statements of profit or loss and other comprehensive income
3. Disclosure notes
4. Events after the reporting period
5. Statements of cash flows
6. Incomplete records

G Preparing simple consolidated financial statements

1. Subsidiaries
2. Associates

H Interpretation of financial statements

1. Importance and purpose of analysis of financial statements
2. Ratios
3. Analysis of financial statements

APPROACH TO EXAMINING THE SYLLABUS

THE SYLLABUS IS ASSESSED BY A TWO HOUR PAPER-BASED OR COMPUTER-BASED EXAMINATION.

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 35 two mark objective questions. Section B will contain 2 fifteen mark multi-task questions. These will test consolidations and accounts preparation. The consolidation question could include a small amount of interpretation and the accounts preparation question could be set in the context of a sole trader or a limited company

Study Guide

A THE CONTEXT AND PURPOSE OF FINANCIAL REPORTING

1. The scope and purpose of, financial statements for external reporting

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

2. Users' and stakeholders' needs

- a) Identify the users of financial statements and state and differentiate between their information needs.^[K]

3. The main elements of financial reports

- a) Understand and identify the purpose of each of the main financial statements.^[K]
- b) Define and identify assets, liabilities, equity, revenue and expenses.^[K]

4. The regulatory framework

- a) Understand the role of the regulatory system including the roles of the IFRS Foundation (IFRSF), the International Accounting Standards Board (IASB), the IFRS Advisory Council (IFRS AC) and the IFRS Interpretations Committee (IFRS IC).^[K]
- b) Understand the role of International Financial Reporting Standards.^[K]

5. Duties and responsibilities of those charged with governance

- a) Explain what is meant by governance specifically in the context of the preparation of financial statements.^[K]
- b) Describe the duties and responsibilities of directors and other parties covering the preparation of the financial statements.^[K]

B THE QUALITATIVE CHARACTERISTICS OF FINANCIAL INFORMATION

1. The qualitative characteristics of financial information

- a) Define, understand and apply qualitative characteristics:^[K]
 - i) Relevance
 - ii) Faithful representation
 - iii) Comparability
 - iv) Verifiability
 - v) Timeliness
 - vi) Understandability
- b) Define, understand and apply accounting concepts:^[K]
 - i) Materiality
 - ii) Substance over form
 - iii) Going concern
 - iv) Business entity concept
 - v) Accruals
 - vi) Fair presentation
 - iv) Consistency

C THE USE OF DOUBLE-ENTRY AND ACCOUNTING SYSTEMS

1. Double-entry book-keeping principles including the maintenance of accounting records

- a) Identify and explain the function of the main data sources in an accounting system.^[K]
- b) 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.^[K]

- c) Understand and apply the concept of double-entry accounting and the duality concept.^[K]
- d) Understand and apply the accounting equation.^[S]
- e) Understand how the accounting system contributes to providing useful accounting information and complies with organisational policies and deadlines.^[K]
- f) Identify the main types of business transactions e.g. sales, purchases, payments, receipts.^[K]

2. Ledger accounts, books of prime entry and journals

- a) Identify the main types of ledger accounts and books of prime entry, and understand their nature and function.^[K]
- b) Understand and illustrate the uses of journals and the posting of journal entries into ledger accounts.^[S]
- c) Identify correct journals from given narrative.^[S]
- d) Illustrate how to balance and close a ledger account.^[S]

D RECORDING TRANSACTIONS AND EVENTS

1. Sales and purchases

- a) Record sale and purchase transactions in ledger accounts.^[S]
- b) Understand and record sales and purchase returns.^[S]
- c) Understand the general principles of the operation of a sales tax.^[K]
- d) Calculate sales tax on transactions and record the consequent accounting entries.^[S]
- e) Account for discounts allowed and discounts received.^[S]

2. Cash

- a) Record cash transactions in ledger accounts.^[S]
- b) Understand the need for a record of petty cash transactions.^[K]

3. Inventory

- a) Recognise the need for adjustments for inventory in preparing financial statements.^[K]
- b) Record opening and closing inventory.^[S]
- c) Identify the alternative methods of valuing inventory.^[K]
- d) Understand and apply the IASB requirements for valuing inventories.^[S]
- e) Recognise which costs should be included in valuing inventories.^[S]
- f) Understand the use of continuous and period end inventory records.^[K]
- g) Calculate the value of closing inventory using FIFO (first in, first out) and AVCO (average cost).^[S]
- h) Understand the impact of accounting concepts on the valuation of inventory.^[K]
- i) Identify the impact of inventory valuation methods on profit and on assets.^[S]

4. Tangible non-current assets

- a) Define non-current assets.^[K]
- b) Recognise the difference between current and non-current assets.^[K]
- c) Explain the difference between capital and revenue items.^[K]
- d) Classify expenditure as capital or revenue expenditure.^[S]
- e) Prepare ledger entries to record the acquisition and disposal of non-current assets.^[S]

- f) Calculate and record profits or losses on disposal of non-current assets in the statement of profit or loss including part exchange transactions.^[S]
- g) 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.^[S]
- h) Calculate the profit or loss on disposal of a revalued asset.^[S]
- i) Illustrate how non-current asset balances and movements are disclosed in financial statements.^[S]
- j) Explain the purpose and function of an asset register.^[K]

5. Depreciation

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

6. Intangible non-current assets and amortisation

- a) Recognise the difference between tangible and intangible non-current assets.^[K]

- b) Identify types of intangible assets.^[K]
- c) Identify the definition and treatment of “research costs” and “development costs” in accordance with International Financial Reporting Standards.^[K]
- d) Calculate amounts to be capitalised as development expenditure or to be expensed from given information.^[S]
- e) Explain the purpose of amortisation.^[K]
- f) Calculate and account for the charge for amortisation.^[S]

7. Accruals and prepayments

- a) Understand how the matching concept applies to accruals and prepayments.^[K]
- b) Identify and calculate the adjustments needed for accruals and prepayments in preparing financial statements.^[S]
- c) Illustrate the process of adjusting for accruals and prepayments in preparing financial statements.^[S]
- d) Prepare the journal entries and ledger entries for the creation of an accrual or prepayment.^[S]
- e) Understand and identify the impact on profit and net assets of accruals and prepayments.^[S]

8. Receivables and payables

- a) Explain and identify examples of receivables and payables.^[K]
- b) Identify the benefits and costs of offering credit facilities to customers.^[K]
- c) Understand the purpose of an aged receivables analysis.^[K]
- d) Understand the purpose of credit limits.^[K]
- e) Prepare the bookkeeping entries to write off an irrecoverable debt.^[S]
- f) Record an irrecoverable debt recovered.^[S]

- g) Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position.^[S]
- h) Prepare the bookkeeping entries to create and adjust an allowance for receivables.^[S]
- i) 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.^[S]
- j) Account for contras between trade receivables and payables.^[S]
- k) Prepare, reconcile and understand the purpose of supplier statements.^[S]
- l) Classify items as current or non-current liabilities in the statement of financial position.^[S]

9. Provisions and contingencies

- a) Understand the definition of “provision”, “contingent liability” and “contingent asset”.^[K]
- b) Distinguish between and classify items as provisions, contingent liabilities or contingent assets.^[K]
- c) Identify and illustrate the different methods of accounting for provisions, contingent liabilities and contingent assets.^[K]
- d) Calculate provisions and changes in provisions.^[S]
- e) Account for the movement in provisions.^[S]
- f) Report provisions in the final accounts.^[S]

10. Capital structure and finance costs

- a) Understand the capital structure of a limited liability company including:^[K]
 - i) Ordinary shares
 - ii) Preference shares (redeemable and irredeemable)
 - iii) Loan notes.

- b) Record movements in the share capital and share premium accounts.^[S]
- c) Identify and record the other reserves which may appear in the company statement of financial position.^[S]
- d) Define a bonus (capitalisation) issue and its advantages and disadvantages.^[K]
- e) Define a rights issue and its advantages and disadvantages.^[K]
- f) Record and show the effects of a bonus (capitalisation) issue in the statement of financial position.^[S]
- g) Record and show the effects of a rights issue in the statement of financial position.^[S]
- h) Record dividends in ledger accounts and the financial statements.^[S]
- i) Calculate and record finance costs in ledger accounts and the financial statements.^[S]
- j) Identify the components of the statement of changes in equity.^[K]

E PREPARING A TRIAL BALANCE

1. Trial balance

- a) Identify the purpose of a trial balance.^[K]
- b) Extract ledger balances into a trial balance.^[S]
- c) Prepare extracts of an opening trial balance.^[S]
- d) Identify and understand the limitations of a trial balance.^[K]

2. Correction of errors

- a) Identify the types of error which may occur in bookkeeping systems.^[K]
- b) Identify errors which would be highlighted by the extraction of a trial balance.^[K]
- c) Prepare journal entries to correct errors.^[S]

- d) Calculate and understand the impact of errors on the statement of profit or loss and other comprehensive income and statement of financial position.^[S]

3. Control accounts and reconciliations

- a) Understand the purpose of control accounts for accounts receivable and accounts payable.^[K]
- b) Understand how control accounts relate to the double-entry system.^[K]
- c) Prepare ledger control accounts from given information.^[S]
- d) Perform control account reconciliations for accounts receivable and accounts payable.^[S]
- e) Identify errors which would be highlighted by performing a control account reconciliation.^[K]
- f) Identify and correct errors in control accounts and ledger accounts.^[S]

4. Bank reconciliations

- a) Understand the purpose of bank reconciliations.^[K]
- b) Identify the main reasons for differences between the cash book and the bank statement.^[K]
- c) Correct cash book errors and/or omissions.^[S]
- d) Prepare bank reconciliation statements.^[S]
- e) Derive bank statement and cash book balances from given information.^[S]
- f) Identify the bank balance to be reported in the final accounts.^[S]

5. Suspense accounts

- a) Understand the purpose of a suspense account.^[K]
- b) Identify errors leading to the creation of a suspense account.^[K]
- c) Record entries in a suspense account.^[S]

- d) Make journal entries to clear a suspense account.^[S]

F PREPARING BASIC FINANCIAL STATEMENTS

1. Statements of financial position

- a) Recognise how the accounting equation, accounting treatments as stipulated within sections D, E and examinable documents and business entity convention underlie the statement of financial position.^[K]
- b) Understand the nature of reserves.^[K]
- c) Identify and report reserves in a company statement of financial position.^[S]
- d) 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.^[S]
- e) Understand why the heading retained earnings appears in a company statement of financial position.^[K]

2. Statements of profit or loss and other comprehensive income

- a) 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.^[S]
- b) Understand how accounting concepts apply to revenue and expenses.^[K]
- c) Calculate revenue, cost of sales, gross profit, profit for the year, and total comprehensive income from given information.^[S]
- d) Disclose items of income and expenditure in the statement of profit or loss.^[S]
- e) Record income tax in the statement of profit or loss of a company including the under and overprovision of tax in the prior year.^[S]
- f) Understand the interrelationship between the statement of financial position and the

statement of profit or loss and other comprehensive income. ^[K]

- g) Identify items requiring separate disclosure on the face of the statement of profit or loss. ^[K]

3. Disclosure notes

- a) Explain the purpose of disclosure notes ^[K]
- b) Draft the following disclosure notes ^[S]
 - i) Non current assets including tangible and intangible assets
 - ii) Provisions
 - iii) Events after the reporting period
 - iv) Inventory

4. Events after the reporting period

- a) Define an event after the reporting period in accordance with International Financial Reporting Standards. ^[K]
- b) Classify events as adjusting or non-adjusting. ^[S]
- c) Distinguish between how adjusting and non-adjusting events are reported in the financial statements. ^[K]

5 Statements of cash flows (excluding partnerships)

- a) Differentiate between profit and cash flow. ^[K]
- b) Understand the need for management to control cash flow. ^[K]
- c) Recognise the benefits and drawbacks to users of the financial statements of a statement of cash flows. ^[K]
- d) Classify the effect of transactions on cash flows. ^[S]
- e) Calculate the figures needed for the statement of cash flows including: ^[S]
 - i) Cash flows from operating activities
 - ii) Cash flows from investing activities
 - iii) Cash flows from financing activities
- f) Calculate the cash flow from operating activities using the indirect and direct method. ^[S]

- g) Prepare statements of cash flows and extracts from statements of cash flows from given information. ^[S]

- h) Identify the treatment of given transactions in a company's statement of cash flows. ^[K]

6. Incomplete records

- a) Understand and apply techniques used in incomplete record situations: ^[S]
 - 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.

G PREPARING SIMPLE CONSOLIDATED FINANCIAL STATEMENTS

1. Subsidiaries

- a) Define and describe the following terms in the context of group accounting: ^[K]
 - i) Parent
 - ii) Subsidiary
 - iii) Control
 - iv) Consolidated or group financial statements
 - v) Non-controlling interest
 - vi) Trade / simple investment
- b) Identify subsidiaries within a group structure. ^[K]
- c) Describe the components of and prepare a consolidated statement of financial position or extracts thereof including: ^[S]
 - 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 inter-company trading
 - v) Acquisition of subsidiaries part way through the financial year

- d) Calculate goodwill (excluding impairment of goodwill) using the full goodwill method only as follows: ^[S]
- | | |
|--|----------|
| Fair value of consideration | X |
| Fair value of non-controlling interest | X |
| Less fair value of net assets at acquisition | (X) |
| Goodwill at acquisition | <u>X</u> |
- e) Describe the components of and prepare a consolidated statement of profit or loss and other comprehensive income or extracts thereof including: ^[S]
- 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

2. Associates

- a) Define and identify an associate and significant influence and identify the situations where significant influence or participating interest exists. ^[K]
- b) Describe the key features of a parent-associate relationship and be able to identify an associate within a group structure. ^[K]
- c) Describe the principle of equity accounting ^[K]

H INTERPRETATION OF FINANCIAL STATEMENTS

1. Importance and purpose of analysis of financial statements

- a) Describe how the interpretation and analysis of financial statements is used in a business environment. ^[K]
- b) Explain the purpose of interpretation of ratios ^[K].

2. Ratios

- a) Calculate key accounting ratios ^[S]
 - i) Profitability
 - ii) Liquidity
 - iii) Efficiency
 - iv) Position
- b) Explain the interrelationships between ratios ^[K]

3. Analysis of financial statements

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

SUMMARY OF CHANGES TO F3/FFA

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers. These syllabus changes are effective from February 2014 and thereafter will be updated on 1st September each year, from September 2015 onwards. F3/FFA is being restructured with effect from February 2014, to introduce longer style questions. The new examination will consist of two sections. Section A will contain 35 two mark objective questions. Section B will contain 2 fifteen mark multi-task questions. These will test consolidations and accounts preparation. The consolidation question could include a small amount of interpretation and the accounts preparation question could be set in the context of a sole trader or a limited company.

There are other changes to the syllabus to reflect the latest business and educational developments affecting this paper. These are summarised in the table below.

Section and subject area	Syllabus content
B1 a) changed to refer only to qualitative characteristics as defined in the IASB <i>Conceptual Framework</i>	Define, understand and apply qualitative characteristics: ^[K] <ul style="list-style-type: none"> i) Relevance ii) Faithful representation iii) Comparability iv) Verifiability v) Timeliness vi) Understandability
Old B1 b) has been removed and replaced with a new outcome covering other accounting concepts	Define, understand and apply accounting concepts ^[K] <ul style="list-style-type: none"> i) Materiality ii) Substance over form iii) Going concern iv) Business entity concept v) Accruals vi) Fair presentation
Throughout the study guide, outcomes have been reworded to reflect the updated titles of financial statements per IAS 1 <i>Presentation of Financial Statements</i> . This has affected: C4 g), C8 g) and i), E2 d), F2 and outcomes F2 a), d), e), f), and g) and G1e)	'Income statement' has been replaced with 'statement of profit or loss' and 'statement of comprehensive income' has been replaced with 'statement of profit or loss and other comprehensive income'.