



THE INSTITUTE OF CHARTERED
ACCOUNTANTS (GHANA)

Syllabus for ICAG
Qualifying Examinations

ACCRA
2009

Contents

Introduction	1
Features and Innovations of the New Scheme	2
Objectives and Expected Performance Outcomes of Each Part	3
PART 1	
1.1 Financial Accounting Fundamentals	4
1.2 Business Management	11
1.3 Economics	17
1.4 Management Information Systems	25
PART 2	
2.1 Quantitative Tools in Business	32
2.2 Audit and Internal Review	37
2.3 Business and Corporate Law	42
2.4 Principles and Practice of Taxation	50
PART 3	
3.1 Financial Reporting	55
3.2 Public Sector Accounting	61
3.3 Cost and Management Accounting	68
3.4 Financial Management	73
PART 4	
4.1 Advanced Financial Reporting	80
4.2 Advanced Audit and Professional Ethics	86
4.3 Corporate Strategy and Governance	98
4.4 Advanced Tax Planning and Fiscal Policy	108
Review of Qualifying Examinations Syllabus May 2010	115
Proposed Transitional Arrangements	116

INTRODUCTION

After nearly four years of organizing examinations on the current syllabus of the Institute of Chartered Accountants (Ghana), professional programme, the first of which was held in May 2005, it is now considered appropriate and timely to revise and update it in order to bring it in line with current state of knowledge and to make it more relevant to the current demands of employers and clients.

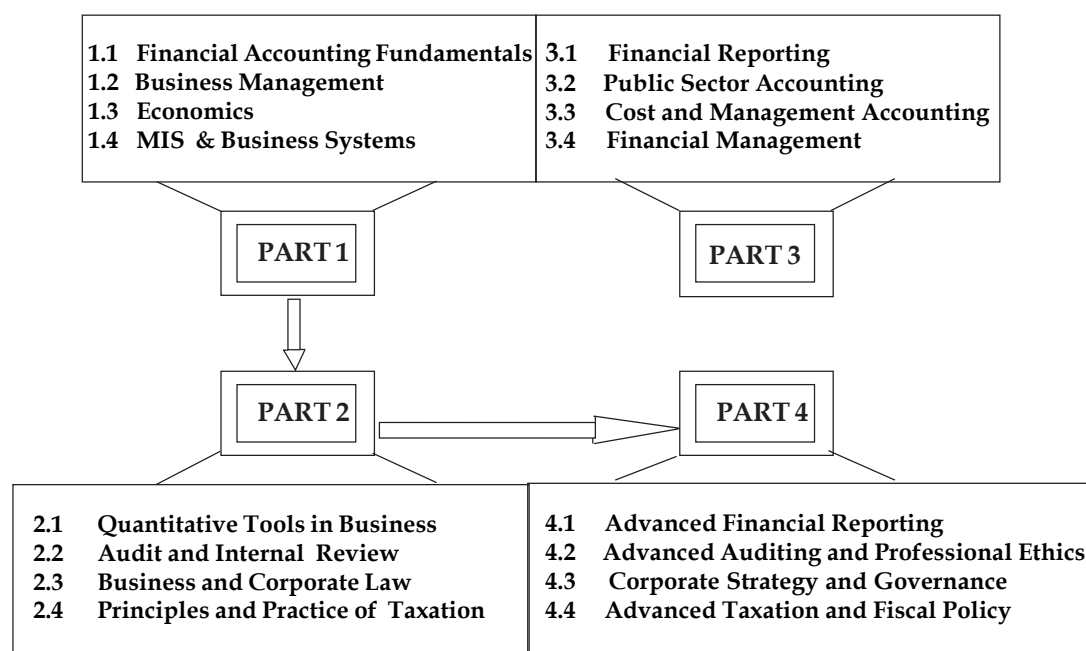
The job of the Chartered Accountant has become more sophisticated because of the effects of globalisation, developments in information technology and the complexity of the modern business organisation. The modern day chartered accountant, for instance, not only expresses an opinion on the accuracy and fairness of financial statements, but also advises management on the viability of investment projects, tax matters and renders specialised advisory services, etc. In many cases, he is called upon to serve the nation as a member of a special investigation panel. In order to perform these functions creditably, he needs to have acquired proficiency in accounting theory and practice.

The new syllabus would be examined in May 2010. The new syllabus attempts to meet the dual goals of the scheme through the subject structure and coverage.

The 16-subject, 4-level-structure examination combines subjects which address the practical skills requirements of the potential professional accountants with others which are mainly of the theoretical or conceptual nature and therefore serves as a good grounding for the Professional Accountant.

SUMMARY OF NEW STRUCTURE

Exhibit 1: Chart of New Examination Scheme



FEATURES AND INNOVATIONS OF THE NEW SCHEME

This new scheme was developed on a well-established context for a review and change. The following new features and innovations stand out.

- A four-part structure of 16 papers in total.
- Fusion and integration of some courses. This is meant to encourage an integrative learning approach and to minimize the negative of the “tunnel vision” subject-by-subject training. The combination of related courses is therefore meant to derive more meaning and synergies. For example, it is not uncommon to find very similar questions and requirements on “Budgeting and Variance Analysis” in both the old [i.e. Current] Management Accounting and Cost Accounting papers.
- Clearly defined and achievable learning outcomes from Part to Part. This should partly resolve the problems associated with the placement of partly qualified candidates in industry and on other programmes.
- A more rational, easy-to-fit and implement, graduate conversion and exemption scheme has been incorporated. It is hoped that this will motivate higher grade candidate entrants—degree and diploma holders—to acquire sufficient accountancy competence and speed up their eventual professional qualification.
- All students have ten (10) years from the date of registration within which to complete all the examinations of the Institute of Chartered Accountants (Ghana). After the ten (10) years period any student who has not completed the examinations of the Institute will **not** be eligible to take the examinations.
- Better focus on business [financial] strategy and reporting or communication skills, thereby enabling candidates to appreciate the overall realities of the business environment and to use advisory skills more effectively.
- Introduction of some more relevant programmes and appropriate titles — the New Business Strategy is more about management, making accountants strategic decisions makers.
- Increased emphasis on business advisory skills at the final Part 4.

OBJECTIVES AND EXPECTED PERFORMANCE OUTCOME OF EACH PART

Each of the 4 Parts of this examination scheme has a broad objective and expected performance outcome as stated below. Additionally, within each subject at any Part, the syllabus coverage as well as the detailed but specific objectives and learning outcomes are stated. The broad objective and learning outcomes of the four (4) Parts are as follows:

PART 1

- 4 basic/foundation papers.
- Provision of basic principles and knowledge required to understand the Business Environment.

PART 2

- Four (4) traditional core papers.
- Test of technical expertise required of a modern accountant.
- Acquisition of background knowledge and skills necessary for effective performance at middle management level.

PART 3

- Four (4) core papers.
- Emphasis on business cases, strategy and advisory skills.

PART 4

- Four (4) core papers.
- Emphasis on business cases, strategy and advisory skills.

Result and Interpretation

The pass mark is 50%. The results will be published as “**pass**” or “**fail**”. A candidate who fails has the option of rewriting this paper in subsequent examinations till his/her candidature expires.

PROFESSIONAL PART 1

PAPER 1.1: Financial Accounting Fundamentals

1. OBJECTIVES AND LEARNING OUTCOMES

This paper is designed to enable candidates acquire and appreciate fundamental accounting knowledge in organisations. At the end of the course, the candidate should be able to:

- Demonstrate sound knowledge and understanding of accounting principles, concepts and their application in the preparation of financial statements.
- To ensure that students have a sound understanding of the techniques of double entry accounting and can apply its principles in recording transactions, adjusting financial records and preparing non-complex financial statements.
- Able to identify and correct omissions and errors in accounting records and financial statements.
- Able to specify the components of financial statements and prepare and present non-complex accounts for sole traders, partnerships and limited companies.
- Specify why an entity maintains financial records and prepares financial statements.
- Identify the sources of information for the preparation of accounting records and financial statements.
- Record and account for transactions and events resulting in income, expenses, assets, liabilities and equity in accordance with the appropriate basis of accounting and the laws, regulations and accounting standards applicable to the financial statements.
- Prepare a trial balance from accounting records and identify the uses of the trial balance.
- Prepare accounts and financial statements from incomplete records.
- Understand the different bases of preparing financial statements.
- Apply some international financial reporting standards.
- Define the qualitative characteristics of financial information and the fundamental bases of accounting

2. FORM OF EXAMINATION

The examination will be a three-hour paper consisting of five compulsory questions. (All the five questions must be answered.)

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below.

However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Conceptual Framework of Accounting, Maintaining Financial Records Principles of Double Entry & Books of Prime Entry	20
Adjustments to Accounting Records and Financial Statements Accounting for non-current Assets (tangibles and intangibles)	15
Preparation of Financial Statements including Cash Flow	20
Preparation of Financial Statements for Non-profit Making Organisations, Preparation of Financial Statements from Incomplete Records	20
Accounting for specialised transactions	15
Introduction to financial statements analysis	10
TOTAL	100

PAPER 1.1 Financial Accounting Fundamentals (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>1.1 Conceptual Framework of Accounting</p>	<ul style="list-style-type: none"> a. Define and explain the scope of accounting, financial accounting, book-keeping, cost and management accounting, and their similarities and differences. b. Explain the needs of external and internal users of accounting information. c. Describe forms of Business Entity: and explain the meaning of 'entity.' d. Explain the categories of business organisations. <ul style="list-style-type: none"> (i) Sole Proprietorships: Their characteristics, benefits and limitations. (ii) Partnerships: Their characteristics, benefits and limitations. (iii) Limited Liability Companies: Their characteristics, benefits and limitations e. Explain the differences between Partnerships and limited liability companies. f. Explain the purpose of financial statements by 1AS 1. g. Explain the accounting assumptions and concepts. h. Outline the components of financial statements. i. Identify the main users of financial information and their information needs. j. Identify and explain accounting concepts and conventions. k. Outline the qualitative characteristics of financial statements. l. Outline the elements of financial statements and the basis of their recognition and their measurements. m. Explain Accounting Standards: their purpose, standards setting process, IASB membership.
<p>1.2 Maintaining Financial Records</p>	<ul style="list-style-type: none"> a. Specify why an entity maintains financial records and prepares financial statements. b. Identify the sources of information for the preparation of accounting records and financial statements. c. Record and account for transactions and events resulting in income, expenses, assets, liabilities and equity in accordance with the appropriate basis of accounting and the laws, regulations and accounting standards applicable to the financial statements. d. Record and account for changes in the ownership structure and ownership interests in an entity.

PAPER 1.1 Financial Accounting Fundamentals (Cont'd.)

MAIN TOPIC	SYLABUS CONTENT
<p>1.3 Principles of Double Entry and Books of Prime Entry</p>	<p>a. Understand and apply the accounting equation.</p> <p>b. Identify the elements of financial statements:</p> <ul style="list-style-type: none"> • Types, definitions, relationships and distinctions. • The nature of transactions. <p>c. Outline the contents and purpose of different types of business documentation, including: quotation, sales order, purchase order, goods received note, goods dispatched note, invoice, statement, credit note, debit note, remittance advice, receipt.</p> <p>d. Identify the main types of ledger accounts and books of prime entry (cash books, the sales day book and the sales ledger, the purchases day book and the purchases ledger) and understand their nature and function.</p> <p>e. Understand and illustrate the uses of journals and the posting of journal entries into ledger accounts.</p> <p>f. Identify the main types of business transactions e.g. sales, purchases, payments, receipts.</p> <p>g. Identify correct journals from given narrative.</p> <p>h. Illustrate how to balance and close a ledger account.</p>
<p>2.1 Adjustments to accounting records and financial statements</p>	<p>a. Identify and explain the types of errors that can affect trial balance and its effects on financial statements.</p> <ul style="list-style-type: none"> (i) Explain how these can be corrected. (ii) Explain the purpose of suspense accounts. (iii) Explain the uses of journals to correct errors in draft financial statements. <p>b. Explain the accounting for the following in financial statements;</p> <ul style="list-style-type: none"> (i) Stocks/inventories. (ii) Tangible non-current assets. (iii) Fixed Assets and Depreciation. (iv) Intangible non-current assets and amortisation. (v) Accruals and prepayments. (vi) Debtors/receivables and trade creditors/payables. (vii) Provisions and contingencies. (viii) Returns inwards and outwards. (ix) Discount received and discount allowed. (x) Capital and revenue expenditures.

PAPER 1.1 Financial Accounting Fundamentals (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
	<p>xii. Bad debts, provisions for doubtful debts, provisions for discounts on debtors.</p> <p>c. Prepare Bank Reconciliation Statement.</p>
2.2 Accounting for Non-current Assets	<p>a. Describe the accounting treatment for property, plant and equipment in accordance with IAS 16.</p> <p>b. Explain the methods and policies of depreciation (limited to straight line, reducing balance and revaluation methods).</p> <p>c. Explain the reasons for depreciation and accounting for provision for depreciation.</p> <p>d. Account for disposal of property, plant and equipment using ledger accounts.</p> <p>e. Account for recognition of Intangible assets in accordance with IAS 38.</p> <p>f. Explain the differences between depreciation and amortization.</p>
3.2. Preparation of Financial Statements of a Partnership Firm	<p>a. Prepare and present income statement and balance sheet of a sole trader:</p> <ul style="list-style-type: none"> i Manufacturing Account ii Trading Account iii Profit and Loss Account iv Balance Sheet
3.1 Preparation of Financial Statements of a Sole Trader	<p>a. Describe the procedure for forming a partnership.</p> <p>b. Outline the provisions in the Incorporated Private partnership Act 1962 (Act 152) in relation to the preparation of partnership accounts.</p> <p>c. Prepare final accounts of partnership:</p> <ul style="list-style-type: none"> • Trading, profit and loss account • Profit and loss appropriation account • Partners' capital and current accounts • Balance sheet <p>d. Explain the procedure for admission of a partner.</p> <p>e. Explain the methods of valuing goodwill.</p> <p>f. Explain revaluation in relation to an admission of a new partner, change in the profit sharing ratio, or a retirement/death.</p>

PAPER 1.1 Financial Accounting Fundamentals (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
3.3 Preparation of Financial Statements of a company	g. Prepare partnership accounts for an admission, change in the profit sharing ratio, or a retirement. h. Prepare accounts for simple dissolution (excluding piecemeal realisation). a. Distinguish between. <ul style="list-style-type: none"> - Ordinary Share and Preference Share. - Authorised Capital and Stated Capital. - Income Surplus and Capital Surplus. b. Describe the nature and types of debentures. c. Explain the nature and purpose of final accounts of a limited liability company. d. Draft company final accounts for internal use. e. Define cash flow and explain cash flow statement. f. Describe the usefulness of cash flow statement. g. Prepare a simple cash flow statement in accordance with IAS 7.
4.1 Preparation of Financial Statements for Not-for-Profit Organisations	a. Identify the type of entity that is a non-profit making organisation. b. Identify the purpose of such organisations. c. Outline the differences between income statement for non-profit making organisation and income statement for a profit making business. d. Prepare receipts and payments account, income statement and a balance sheet for a non-profit making organisation.
4.2 Preparation of Financial Statements from Incomplete Records	Prepare Income statement and balance sheet of an entity from incomplete records.
5. Accounting for Specialised Transactions; Joint Venture; Investments; Royalties; Branch	a. Explain joint venture. b. Distinguish between joint venture and partnership. c. Explain how to make entries in the accounts of a joint venture. d. Explain investments accounts, and how they are used.

PAPER 1.1 Financial Accounting Fundamentals (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
6. Introduction to Financial Statement Analysis	e. Record transactions in investment accounts. f. Explain royalties, minimum rent and short workings. g. Record royalties in the books of the lessee and lessor (including sub-royalties or leases). h. Prepare departmental and branch accounts (excluding foreign branches). a. Calculate basic financial ratios from given income statement and/or balance sheet: <ul style="list-style-type: none">- Profitability Ratios- Liquidity (Short term solvency) Ratios- Gearing/Leverage Ratios- Activity/Efficiency Ratios- Investment Ratios b. Explain the meaning and uses of the above ratios. c. Outline the limitations of financial ratios as tool for performance measurement.

LIST OF RECOMMENDED TEXT

1. ICAG Study Text.
2. Wood F. *Business Accounting 1: Financial Times*.
3. Millichamp, R. A. (1992) *Foundation Accounting*; DPP.

RELEVANT LEGISLATIONS

1. Companies Code, 1963, Act 179.
2. Incorporated Private Partnership Act 1962, Act 152.

PAPER 1.2 Business Management

1. OBJECTIVES AND LEARNING OUTCOMES

At the end of the course, candidates should be able to:

- explain the objectives of business and the functions of management;
- explain the major concepts, theories and techniques in the field of general management;
- apply the concepts, theories and techniques in analysing and providing solutions to business problems;
- describe the various functional areas of an organisation and how they relate to one another;
- describe the environment within which businesses operate;
- appraise the impact of economic, social, political, legal, technological and global changes in the environment on management decisions.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of seven (7) questions. Candidates will be required to answer any five (5) questions.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

Syllabus Coverage	Weighting (%)
Introduction to Management	10
Planning and Decision Making	15
Organizing, Motivation, Leadership, Controlling	30
Communication Groups and Team Work	15
Human Resource Management	10
Marketing Management	10
Operations Management	10
TOTAL	100

PAPER 1.2 Business Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Introduction to Management</p>	<ol style="list-style-type: none"> a. Explain the objectives of business organisations. b. Explain the four (4) functions of management and state the other major elements in the management process. c. Explain the roles of management. d. Explain the types of skills needed by managers. e. Describe how managerial jobs differ according to the levels and areas of responsibility. f. Explain the evolution of management theories. g. Explain how socio-cultural, legal, economic, political and technological and global changes influence businesses. h. Explain the concept of stakeholders and distinguish between primary and secondary stakeholders. i. Explain the nature of the power and interests of stakeholders. j. Explain the social responsibility of businesses.
<p>Planning and Decision Making</p>	<ol style="list-style-type: none"> a. Define and differentiate between the following key terminologies: <ul style="list-style-type: none"> Planning <ul style="list-style-type: none"> • Forecasting • Objective setting • Policies • Programmes • Schedules • Procedures • Budgeting b. State and describe types of plans. c. Categorise the types of planning at the different levels of management. d. Explain the planning process. e. Explain the steps in the decision making process. f. Appraise alternative solutions and select appropriate solution(s) to organisational problems. g. Evaluate and apply skills necessary for effective decision making as regards the entire spectrum of management and organisation.

PAPER 1.2 Business Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Organising	<ol style="list-style-type: none"> a. Describe the elements that make up organisational structure and its related units. b. Develop organisational charts and explain their importance. c. Describe the main approaches to job design. d. Explain the major methods of vertical co-ordination, including formalisation, span of management, centralization vs. decentralisation, delegation, line and staff positions. e. Analyse delegation, authority, responsibility and accountability and their impact on motivation and organisational culture. f. Explain, analyse and evaluate the concept of co-ordination as an integral part of management. g. Distinguish between types and conditions for business and organisational integration. h. Identify and state the characteristics and relationships associated with planning, organising, leading and controlling in organisations. i. Appraise the role and importance of co-ordination.
Leadership	<ol style="list-style-type: none"> a. Define leadership. b. Explain the major sources of a leader's power. c. Explain the following leadership theories: <ul style="list-style-type: none"> • Traits theory • Behavioural theory • Contingency theory • Managerial grid • Tannenbaum and Schmidt leadership continuum • Fieldler's contingency theory • Situational leadership • Path-goal theory. • Contemporary theories d. Explain the various leadership styles

PAPER 1.2 Business Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Motivation	<ul style="list-style-type: none"> a. Explain the theories of motivation. b. Describe the role of behavioural aspect of motivation. c. Evaluate the limitations to motivation theories. d. Describe how teamwork and consultative management are used as motivational tools. e. Outline the linkage between motivation and output.
Controlling	<ul style="list-style-type: none"> a. Explain the nature and importance of organizational control. b. Describe the control process. c. Discuss the different organisational control process. d. Explain the different control methods.
Communication	<ul style="list-style-type: none"> a. Explain the meaning and role of communication in modern organisations. b. Explain the main forms of communication. c. Describe the communication process. d. Distinguish between organisational communication channels and explain their role in managing effectively. e. Discuss the roles of negotiation in the management process both within an organisation and with external bodies. f. Identify and describe barriers to communication.
Groups and Teamwork	<ul style="list-style-type: none"> a. Define and analyse the concept of management groups, inter or intra-group relations and how motivation influences group/managerial behaviour. b. Analyse and evaluate the concept of team approach in directing organisational activities. c. Explain how groups are formed within organisations and how this affects performance. d. Explain the nature, functions and purposes of social groups in organisations. e. Explain inter-personal and inter-group relations and distinguish between them. f. Define and analyse the concept of organisational culture and business etiquette in organisations.

PAPER 1.2 Business Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Human Resource Management	<ul style="list-style-type: none"> a. Explain the role of the human resource management function and its relationship to other parts of the organisation. b. Describe the recruitment process. c. Distinguish between training and development and show their relationship. d. Explain the meaning and effects and/or application of job evaluation, staff appraisal, performance measurement and evaluation; promotion and demotion. e. Explain the disciplinary procedure in human resource management. f. Explain compensation systems and the significance of indirect compensation. g. Explain the concept of organisational health and safety and its benefits. h. Distinguish between duties of employer's and employees responsibilities.
Marketing Management	<ul style="list-style-type: none"> a. Explain the marketing concept. b. Outline the strategic roles of marketing in organisations. c. Explain the main elements of a marketing plan and importance. d. Explain segmentation and targeting of markets and positioning of products within markets. e. Explain the elements of the marketing mix and their application. f. Describe the role of technology in modern marketing. g. Explain the differences and similarities in the marketing of products and services. h. Design and implement a pricing strategy. i. Explain customer care strategies as a means of achieving competitive advantage and their relationship with total quality management.

PAPER 1.2 Business Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Operations Management	<p>a Explain the following types of production process:</p> <ul style="list-style-type: none">• Job production• Batch production• Mass/continuous/flow production <p>b. Explain and compare the following methods of plant layout:</p> <ul style="list-style-type: none">• Process layout• Product layout• Fixed-position layout. <p>c. Discuss the role of operations management in organizations.</p> <p>d. Explain the concept of quality and total quality management.</p> <p>e. Explain how the quality of products and services can be assessed, measured and improved.</p>

RECOMMENDED/REFERENCE TEXTS

1. ICAG Study Text.
2. Appleby P. O. *Modern Business Administration*, Pitman.
3. Boachie-Mensah, F. O. *Essentials of Management*, Woeli Publishing Services.
4. Cole, G. A. *Management: Theory and Practice*. DP Publications.
5. Marfo-Yiadom, E. *Principles of Management*, Woeli, Publishing Services.

PAPER 1.3 Economics

1. OBJECTIVES AND LEARNING OUTCOMES

On completion with this paper, candidates should be able to:

- explain the nature and scope of economics;
- define and explain the fundamental problems of satisfying wants from scarce resources with alternative uses or describe resources allocation in relation to competing wants;
- explain and offer illustrations of the main techniques of economic analysis as a basis for business decisions;
- identify how macroeconomic variables and government economic policies affect and/or influence an organisation.
- explain the main features and contemporary trends of the Ghanaian economy and apply the concepts and techniques of economics to current business issues.

2. FORM OF EXAMINATION

The examination will be a three (3) hour paper of seven (7) questions, five (5) of which should be answered by candidates. The paper will consist of two (2) sections, A and B. Section A will consist of four (4) questions on microeconomics and Section B will consist of three (3) questions on macroeconomics. Candidates are required to answer three (3) questions from Section A and two (2) questions from Section B.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

PAPER 1.3 Economics (Cont'd.)

SYLLABUS COVERAGE	WEIGHTING (%)
Basic Economics – Concepts and Systems	7
Price and quantity determination	10
Elasticity concepts	8
Theory of consumer behaviour	10
Theory of production	10
Theories of costs and revenues	5
Theory of the Firm	10
National income accounting	10
Money and banking	10
Public Finance	10
International Trade	10
TOTAL	100

PAPER 1.3 Economics (Cont'd.)**SECTION A: Microeconomics**

MAIN TOPIC	SYLLABUS CONTENT
Basic Economic Concepts and System	<ul style="list-style-type: none"> a. Define and explain economics in relation to production, distribution. b. Consumption of goods and services. c. Explain the concepts of scarcity, choice and scale of preference. d. Explain the concept of opportunity cost in relation to individuals, firms and government. e. Identify the main characteristics of the various economic systems and explain their merits and demerits. f. Discuss the role of economics in business decision making.
Price and Quantity Determination	<ul style="list-style-type: none"> a. Define demand and supply and identify the types. b. Identify and explain the determinants of quantity demanded and supplied. c. Explain individual and market demand and supply using tables, graphs and equations. d. Distinguish between a change in quantity demanded and a change in demand. e. State and explain the determinants of a change in demand and a change in quantity demanded. f. Distinguish between a change in quantity supplied and a change in supply. g. State and explain the determinants of a change in supply and a change in quantity supplied. h. Identify and explain the determinants of a change in supply and a change in quantity supplied. i. Explain the concepts of equilibrium price and quantity via demand and supply with the aid of tables and diagrams. j. Determine equilibrium price(s) and quantity(ies) mathematically for a single and a two-commodity model. k. Define and explain maximum (ceiling) and minimum (floor) price legislations and give reasons for legislating prices. l. State and explain the consequences of price legislation with the aid of diagrams. m. Explain the remedies for the consequences of price legislation.

SECTION A: Microeconomics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Elasticity Concepts</p>	<ul style="list-style-type: none"> a. Distinguish between own price (point/arc), cross and income elasticities of demand. b. Calculate and interpret coefficients of own price (point/arc), cross and income elasticities of demand. c. Identify and explain the determinants of price elasticity of demand. d. Calculate and interpret coefficients of price (point/arc) elasticity of supply. e. Identify and explain the determinants of price elasticity of supply. f. Explain how elasticities are used in pricing decisions, production and incidence of taxation.
<p>Theory of Consumer Behaviour</p>	<ul style="list-style-type: none"> a. Define and explain the concept of utility. b. Define and graph total, average and marginal utilities and calculate average and marginal utilities from total utility. c. State and explain the law of diminishing marginal utility. d. Use the law of diminishing marginal utility to explain equilibrium of the consumer (one commodity, two or more commodities) and derive the demand curve. e. Use the equilibrium conditions for two commodities to determine the equilibrium quantities consumed via tables. f. Use the law of diminishing marginal utility to resolve the paradox of value. g. Explain substitution and income effects and use them to show the curvature of demand curves for normal, inferior and Giffen goods.
<p>The Theory of Production</p>	<ul style="list-style-type: none"> a. Identify, define and explain the factors of production. b. Explain fixed and variable inputs in relation to short and long run production periods. c. Define and explain total, average and marginal products. d. Calculate marginal and average products from total product and represent total, average and marginal products graphically. e. Identify and explain the relationships between total, average and marginal products.

SECTION A: Microeconomics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Theories of Costs and Revenues	<p>f. State and explain the law of variable proportions and use the law to explain the stages of production.</p> <p>g. Explain the long run behaviour of output (returns to scale).</p> <p>a. Distinguish between:</p> <ul style="list-style-type: none"> • Private and social costs. • Implicit and explicit costs. <p>b. Define, tabulate, represent graphically and explain the inter-relationship of short run costs (fixed and variable costs; total, average and marginal costs).</p> <p>c. Use the law of diminishing returns to variable proportions to explain the conventional shapes (U-shapes) of the average variable cost and marginal cost curves.</p> <p>d. Explain and represent graphically, long run costs.</p> <p>e. Explain economies and diseconomies of scale.</p> <p>f. Use economies and diseconomies of scale to explain:</p> <ul style="list-style-type: none"> • The position of the long run average cost curve in cost-output, space. • The conventional shape of the long run average cost curve. <p>g. Define and explain total, average and marginal revenues.</p> <p>h. Explain the behaviours of total, average and marginal revenues in both price-taking and price-making industries.</p> <p>a. Define the concept of profit in relation to normal and economic profits.</p> <p>b. Distinguish between accountant's and economist's profits.</p> <p>c. Distinguish between economic profit and economic loss.</p>
Theory of the Firm	<p>a. Distinguish among factory, firm and industry.</p> <p>b. Explain the general concept of equilibrium of the firm.</p> <p>c. Define the various forms of market structures (perfect competition, monopoly, monopolistic competition) and identify the characteristics of each of them.</p> <p>d. Explain the short run and long run positions of the</p>

SECTION B: Microeconomics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>National Income Accounting</p>	<p>perfectly competitive firm, monopolistic firm and monopolistic competitive firm.</p> <p>e. Define oligopoly and identify its characteristics.</p> <p>f. Define, distinguish and give reasons for regulation, deregulation and privatization of firms.</p> <p>a. Explain the stock and flow concepts of measurement.</p> <p>b. Define national income.</p> <p>c. Explain the following methods of measuring national income:</p> <ul style="list-style-type: none"> • Expenditure approach • Product (output) approach • Income approach <p>d. Identify and explain the problems and factors that influence the size of national income.</p> <p>e. Explain the relevance of the size of national income.</p> <p>f. Define consumption, savings, investment, government expenditure, imports and exports.</p> <p>g. Identify and explain the determinants of consumption; savings, investment, government expenditure, imports and exports.</p> <p>h. Explain income determination, equilibrium income, the multiplier and the basic accelerator.</p> <p>i. Compute equilibrium income, tax, disposable income and savings.</p> <p>j. Define and explain aggregate demand and aggregate supply.</p> <p>k. Illustrate changes to equilibrium level of national income using aggregate demand and aggregate supply analysis.</p> <p>l. Define, identify types and explain measures for tackling unemployment.</p>
<p>Money and Banking</p>	<p>a. Identify and explain the origins, nature, features and functions of money.</p> <p>b. Identify types of banks and explain the functions of central and commercial banks.</p> <p>c. Explain credit creation by commercial banks.</p> <p>d. Identify and explain the instruments of monetary policy.</p> <p>e. Explain Monetary Policy Formulation through the Monetary Policy Committee (MPC).</p>

SECTION B: Microeconomics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Public Finance	<ul style="list-style-type: none"> f. Explain the effects of monetary policy on business organizations. g. Define stock exchange and explain its functions and importance. h. Define and explain demand and supply of money and the three motives of holding money. i. Define and explain inflation and the Philips curve. <ul style="list-style-type: none"> a. Identify and explain the sources of government revenue b. Identify and explain the various items of government expenditure. c. Define National Budget and explain balanced budget, deficit budget and surplus budget. d. Identify and explain sources of financing budget deficit and its economic implications. e. Explain Fiscal Policy and identify its tools. f. Define tax and explain the principles (progressive, regressive and proportional) and incidence of taxation. g. Outline the merits and demerits of direct and indirect taxes. h. Define national debt and identify the sources of national debt accumulation. i. Explain the arguments for and against increase in national debt. j. Identify and explain ways of managing the national debt (e.g. debt swap, Highly Indebted Poor Countries (HIPC). Initiative, conversion of national debts into bonds etc.)
International Trade	<ul style="list-style-type: none"> a. Give reasons for international trade. b. Explain the concept and consequences of globalisation for business and national economies. c. Explain the concept of balance of payments and its implications for business and for government policy. d. Identify and explain the various components of balance of payments. e. Distinguish between balance of payments deficit and balance of payment surplus.

MAIN TOPIC	SYLLABUS CONTENT
	<ul style="list-style-type: none">f. Explain the causes and effects of fundamental imbalances in the balance of payments.g. Identify and explain exchange rate systems (fixed, flexible and managed float).h. Analyse the interrelationship between exchange rate and current accounts balance.i. Identify and explain types of international trade controls, arguments for and against trade control and liberalization.j. Explain the role of major institutions (e.g. World Bank, International Monetary Fund) in fostering internal development and economic stabilization.

RECOMMENDED/REFERENCE TEXTS

1. ICAG Study Manual on Economics
2. Begg, D. *Economics*, McGraw-Hill
3. Colander, D. C. *Microeconomics*, McGraw-Hill
4. Colander, D. C. *Macroeconomics*, McGraw-Hill
5. Pomayie, P. *Macroeconomics, An Introductory Text*

PAPER 1.4 Management Information System

1. OBJECTIVES AND LEARNING OUTCOMES

This paper is concerned with the strategic importance of information systems to organisations in the modern business environment. It recognises that although many organisations employ Information Technology (IT) Professionals, Chartered Accountants now have a key role to play in the provision of information that adds significant value to the ever-increasing volume of data processed for management decision making. At the end of the course, candidates should be able to:

- Develop an understanding of general information system concepts and practices and technological environment of the contemporary organisation. Apply a systematic approach to the use of information technology in organisations.
- Appraise the technological environment in order to support the practical aspects of information provision and usage.
- Identify and apply project management techniques; and develop project proposals.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of six (7) questions made up of Sections A and B. Section A will consist of a compulsory case study question of 40 marks. Section B will consist of five (5) questions out of which candidates will be required to answer three (3) questions.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

PAPER 1.4 Management Information System (Cont'd.)

SYLLABUS COVERAGE	WEIGHTING (%)
Systems Theory and Practice	10
Information Systems	35
Computers in Communication	10
Information Technology and the Professional Accountant	20
Business Strategy and IS/IT Alignment	10
Project Management	15
TOTAL	100

MAIN TOPIC	SYLLABUS CONTENT
<p>1. Systems Theory and Practice</p>	<p><i>Systems concepts and definition</i></p> <ol style="list-style-type: none"> a. Explain systems concepts and give examples of real systems. b. Explain the essence of systems approach to problem solving. c. Describe the holistic features of systems. d. Differentiate between system boundaries and environments. e. Explain the following system types: <ul style="list-style-type: none"> • Open • Closed • Adaptive • Cybernetic • Deterministic • Probabilistic (or stochastic) <p><i>System and Subsystems</i></p> <ol style="list-style-type: none"> a. Explain the relationships among subsystems in a typical business context. b. Apply the theory of sub-optimality and systems objective. c. Explain the need for system control and feedback. d. Explain the following system control elements: <ul style="list-style-type: none"> • Standard • Comparators • Sensor • Effectors e. Represent the control mechanisms diagrammatically.

PAPER 1.4 Management Information System (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>2. Information Systems</p>	<p><i>Application of Information systems in the organisation</i></p> <ol style="list-style-type: none"> a. Define and distinguish between data and information. b. Explain the attributes of good information, i.e. accuracy, timeliness, brevity, conciseness, reliability, etc. c. Explain the concept of the value of information. d. Explain the term, Information Technology. e. Explain the role and uses of information in organisation i.e. competitive advantage and support of managerial functions. f. Explain the different types of information systems, i.e. TPS, MIS, DSS, EIS, and ES. g. Describe the three levels of information in relation to the levels of management. <p><i>Traditional file Structures and storage Media</i></p> <ol style="list-style-type: none"> a. Explain the terms, computer file; record; field; record key. b. Explain the relationship and difference between transaction and master files. c. Describe the key methods of file organisation and access. d. List the characteristics and explain the workings of the different storage media – magnetic tape, magnetic disc, diskette, CD-ROM, DVD, Zip disc, flash disk, etc. <p><i>Database Design and Implementation</i></p> <ol style="list-style-type: none"> a. Define database and explain the importance of databases in the operations of an organisation. b. Describe the types and enumerate the advantages and disadvantages of database models – hierarchical, network, relational and object-oriented. c. Explain with examples, components of a Database Management System (DBMS) – hardware, software, people (users, designers, administrators, procedures, data/information). d. Apply database tools to real life systems – Entities, attributes and Relationships. e. Explain entity relationship modeling, data analysis and entity life history.

PAPER 1.4 Management Information System (Cont'd.)

	SYLLABUS CONTENT
<p>2. Information Systems (Cont'd)</p>	<p><i>Computer Hardware and Software Concepts</i></p> <ol style="list-style-type: none"> a. Explain the hardware concepts of the computer and list its benefits and shortcomings. b. Describe the categories/generations of computers – super, mainframe, mini and microcomputers. c. Draw the basic functional units of a computer system and show how they interrelate – CPU, input/output devices (peripheral devices). d. Describe the various types of computer memory – semi-conductor memory, cache memory, video memory and flash memory. e. Explain operating systems – single user, multi user. f. Explain system software and describe its components. g. Explain the functions of the operating system (os). h. Explain Applications software and describe Packages. Bespoke software, special purpose software, general purpose software. i. Viruses, worm. j. Explain with examples the evolution of computer programming languages – machine language, assembly language, high level language, 4GL and 5GL. <ol style="list-style-type: none"> g. Explain the concept of software testing – unit testing, static testing, dynamic testing and regression testing. h. Explain the use of the following: <ul style="list-style-type: none"> • CASE tools • Prototyping tools • Query language. i. Describe the qualities of a good programme. <p><i>Representation of processes in computer Systems</i></p> <ol style="list-style-type: none"> a. Draw diagrams to represent computer processes using the following tools: <ul style="list-style-type: none"> • Programme flowchart • Decision trees • Decision tables • Data flow diagram <p><i>Human Computer Interfaces (HCI)</i></p> <ol style="list-style-type: none"> a. Explain the various types of communication between users and computer systems – command driven, menu

PAPER 1.4 Management Information System (Cont'd.)

<p>2. Information Systems (Cont'd)</p>	<p style="text-align: center;">SYLLABUS CONTENT</p> <p>driven, GUI, user-friendliness.</p> <p>b. Internal and External design of systems.</p> <p><i>Systems Development Life-cycle (SDLC)</i></p> <p>a. Explain the following phases of the SDLC:</p> <ul style="list-style-type: none"> • Problem identification • Feasibility studies • System investigation • System analysis • System design • Implementation • Post-implementation review. <p>b. Describe the methods required to measure the success of the system.</p> <p>c. Apply structured methodology to system development.</p> <p><i>Processing Systems Options</i></p> <p>a. Describe the processing options and their characteristics (batch, real-time, demand, online, distributed, centralized and decentralized processing).</p> <p><i>IS/IT in the organisation</i></p> <p>a. Explain the role and describe the staffing, functions and responsibilities of the IS/IT department in an organization.</p> <p>b. Explain the principles of facilities management and outsourcing.</p> <p><i>Controls and Security of Computer Operations</i></p> <p>a. Explain the principles of system security and control.</p> <p>b. Explain the under-listed control measures:</p> <ul style="list-style-type: none"> • Administrative controls • Input and output controls • Operational controls • General controls • Verification and Validation <p>c. Explain the principles of hardware/software maintenance (preventive, corrective, adaptive and perfective).</p>
---	--

PAPER 1.4 Management Information System (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>3. Computers in Communications</p>	<p><i>Data communication Principles, Objectives and Uses</i></p> <p>a. Explain the importance of computer networks and distributed processing.</p> <p><i>Computers in Communication</i></p> <p>a. Explain the following computer network types:</p> <ul style="list-style-type: none"> • Wide area • Metropolitan area • Local area <p>b. Explain computer network topologies and protocols.</p> <p>c. Internet, Intranet, Extranet.</p> <p><i>Office Automation</i></p> <p>a. Explain office automation.</p> <p>b. Explain E-Business</p> <p>c. Explain the following:</p> <ul style="list-style-type: none"> • E-Commerce • E-Mail • Telecommuting • E-Banking • Telesales • Video conferencing • Tele conferencing • EDI • E-Learning
<p>4. Information Technology and the Professional Accountant</p>	<p><i>Information Technology and the Contemporary Accountant</i></p> <p>a. Explain how information technology influencing the ways in which organization are structured, managed and operated.</p> <p>b. Identify the required level of knowledge of information technology by professional accountants which can be applied to practical problems in the organization.</p> <p><i>Information Technology Knowledge and Skills Areas</i></p> <p>a. Explain the role of the accountant in information technology concepts for business systems under the following:</p>

PAPER 1.4 Management Information System (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>5. Business Strategy and IS/IT Alignment</p>	<ul style="list-style-type: none"> • The professional accountant as a user of information technology. • The professional accountant as a manager of information system. • The professional accountant as a designer of business information systems. • The professional accountant as an evaluator of information systems. <p>a. Explain the approach that an organisation may follow to formulate its strategic business objectives.</p> <p>b. Identify current trends in information technology and the opportunities they offer to organisations.</p> <p>c. Distinguish between a business strategy and an information systems strategy.</p> <p>d. Identify responsibility for the ownership of this strategy.</p> <p>e. Explain the use of IS/IT for competitive advantage, using Porter's model.</p>
<p>6. Project Management</p>	<p>a. Define Project Management and explain the terms of reference of a project.</p> <p>b. Explain the roles and responsibilities of staff who manage and participate in projects.</p> <p>c. Explain roles and responsibilities of the project manager.</p> <p>d. Explain the advantages of using a project management software package in the project management process.</p> <p>e. Construct and analyse a project network.</p> <p>f. Construct and interpret a Gantt chart.</p>

LIST OF RECOMMENDED TEXT

1. ICAG Study Manual.
2. Stubbe, R. *Computers and Information Systems*.
3. French, C. A. *Data Processing and Information Technology*; 9th Edition.
4. Landon, K. C. *Information Systems and the Internet*.
5. Kenneth E. Kedeall, K. E. *Systems Analysis and Design*.
6. Senn, J. A. *Information Systems in Management*. Wadsworth.
7. Anderson, J. A. *Data Processing Vol. 1 & 2*; M & E Pitman.
8. French, C. S. *Data Processing and Information Technology*. DPP.

PROFESSIONAL PART 2

PAPER 2.1: Quantitative Tools in Business

1. OBJECTIVES AND LEARNING OUTCOMES

At the end of the course, candidates should be able to:

- Develop the understanding and application of statistical and mathematical techniques needed to solve business and accounting problems.
- Explain and interpret the role of the relevant aspects of quantitative techniques needed to solve business and accounting problems.
- Make the most informed decision in business and accounting scenarios.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of seven (7) questions in all out of which candidates are required to answer any 5 questions.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Data collection and interpretation	10
Decision making under risk and uncertainty	20
Forecasting techniques	25
Planning and control techniques	25
Optimisation and decision making techniques	20
TOTAL	100

PAPER 2.1: Quantitative Tools in Business (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
1. Data Collection and Interpretation	<ol style="list-style-type: none"> a. Collect statistical data using the various sampling methods. b. Classify and tabulate data in the form of frequency distribution table. c. Present data pictorially in the form of bar chart, pie chart, give, histogram, Z-Chart, Gantt chart, Lorenz curve, etc. d. Calculate measures of central tendencies (mean, median and mode) from a given data. e. Calculate measures of dispersion (standard deviation, range, mean deviation, variation, coefficient of variation, quartile deviation and skewness, etc) from a given data.
2. Decision Making Under Risk and Uncertainty	<ol style="list-style-type: none"> a. Define probability. b. Distinguish between equally likely and mutually exclusive outcomes. c. Explain marginal, joint and conditional probabilities. d. Apply Bayes' theorem to problem solving. e. Draw probability trees. f. Distinguish between dependent and independent events. g. Explain the laws of probability. h. Calculate and interpret expected value and standard deviation of a discrete random variable. i. Use decision tree to solve problem. j. Prepare a conditional pay-off table. k. Use normal distribution to solve problems. <p><i>Matrix Algebra</i></p> <ol style="list-style-type: none"> a. Present matrix information in a tabular form. b. Solve matrix algebra: addition, subtraction, scalar multiplication, matrix algebra. c. Solve problems involving matrix inversion. d. Solve simultaneous equations by matrix algebra. e. Solve problems involving probability transition matrices.

PAPER 2.1: Quantitative Tools in Business (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>3. Forecasting Techniques</p>	<p><i>Simple Linear Regression Analysis</i></p> <ol style="list-style-type: none"> Draw scatter diagram. Find the equation of the line of best fit using the least squares method. Draw the line of best fit on a scatter diagram. Interpret the regression coefficient. Use the regression equation to forecast. Use the computer output to test for regression (t-test, f-test). <p><i>Simple Linear Correlation Theory</i></p> <ol style="list-style-type: none"> Distinguish between regression and correlation. Explain negative zero and positive correlation. Distinguish between product-moment and Spearman's rank correlation coefficient. Calculate and interpret product-moment and Spearman's correlation coefficients. <p><i>Time Series Analysis</i></p> <ol style="list-style-type: none"> Explain time series. State and explain the components of a time series. Determine the trend using the methods of moving averages and least squares. Apply additive and multiplicative models to determine average seasonal variations. Use time series to forecast.
<p>4. Planning and Control Techniques</p>	<p><i>Network Analysis</i></p> <ol style="list-style-type: none"> Distinguish between critical path method (CPM) and programme evaluation and review techniques (PERT). Draw network diagrams using activity-on-arrow and activity-on node models. Explain optimistic, most likely and pessimistic times for an activity. Calculate the expected duration and variance for an activity. Determine critical path and project duration. Distinguish among and calculate total float, independent float and free float.

PAPER 2.1: Quantitative Tools in Business (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
	<p>g. Calculate the probability and minimum time for completing a project.</p> <p>h. Crash a project using cost-time slope (lease incremental cost) concept.</p> <p>i. Use network analysis to allocate resources.</p>
<p>5. Optimization and Decision Making Techniques</p>	<p><i>Stock Control</i></p> <p>a. State the importance of keeping stock.</p> <p>b. Distinguish the simple economic order quantity (EOQ), gradual replenishment and discounts models.</p> <p>c. Use these models to calculate the optimum quantity and determine reorder levels and safety stocks.</p> <p>d. Use the discrete probability to calculate the optimum quantity and determine reorder levels and safety stocks</p> <p>e. Use the normal distribution to determine the reorder levels, service levels and safety stocks.</p> <p><i>Differential Calculus</i></p> <p>a. Differentiate polynomial functions (first and second derivatives only).</p> <p>b. Determine the turning points of a function (maximum, minimum, point of inflection).</p> <p>c. Use differential calculus to maximize revenue and profits (with or without tax) and to minimize cost (including the stock control, EOQ problem).</p> <p>d. Use differential calculus to determine point elasticity of demand.</p> <p><i>Integral Calculus</i></p> <p>a. Derive a function given its derivative.</p> <p>b. Apply integration to business problems.</p> <p><i>Linear Programming</i></p> <p>a. Formulate the primal linear programming problem.</p> <p>b. Formulate the dual linear programming problem.</p> <p>c. Solve the linear programming problem (involving two variables) graphically.</p> <p>d. Set the initial simplex tableau.</p>

PAPER 2.1: Quantitative Tools in Business (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
	<ul style="list-style-type: none">e. Carry out the first iteration of the simplex tableau.f. Interpret the final simplex tableau.g. Explain limiting factors (scarce resources) and their shadow prices.h. Carry out sensitivity analysis on the graphical and simplex solutions.

LIST OF RECOMMENDATION TEXT

1. ICAG Study Text
2. Francis, A. *Business Mathematics and Statistics*. Continuum.
3. Lucey, T *Quantitative Techniques*. Continuum.

PAPER 2.4: Audit and Internal Review

1. OBJECTIVES AND LEARNNG OUTCOMES

The course is aimed at developing the candidates' knowledge and understanding of the audit process from the planning stage through to the reporting stage and the techniques used in the conduct of internal and external audit. At the end of the course, candidates should be able to

- explain the nature , purpose and scope of an audit;
- state and explain the purposes of the regulatory framework within which the auditor's work is conducted;
- outline the qualification, functions, responsibilities and rights of an auditor;
- describe the audit procedures required at the planning stage of an audit;
- explain the techniques for collecting and evaluating audit evidence;
- explain the techniques for collecting and evaluating audit evidence;
- explain and apply basic auditing concepts like internal controls, sampling, compliance test, substantive test, weakness test, etc;
- assess audit risk and design appropriate audit procedures;
- draw valid conclusions from the results of audit tests; and
- prepare various reports relating to audit assignments.

2. FORM OF EXAMINATION

The examination will consist of three-hour paper. Candidates are to answer all the five (5) questions set.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING %
Nature, Purpose and Scope of an Audit. The Regulatory Framework of Auditing and Professional Considerations	20
Audit Planning. Evidence Gathering Internal controls and Evaluation of Control	20
Risk Internal Audit and Other Assurance Engagements	20
Conduct of Audit and Assurance	15
Concept, process and Need for Assurance	10
Reporting Framework	15
TOTAL	100

PAPER 2.4: Audit and Internal Review (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>1. Nature, Purpose and Scope of an Audit</p>	<p>a. Define an audit.</p> <p>b. Explain the purpose/general objectives of an audit (distinguish between primary and secondary objectives).</p> <p>c. Examine the advantages of auditing to stakeholders.</p> <p>d. Explain and distinguish between the following types of audit:</p> <ul style="list-style-type: none"> • Internal/External • Statutory/non-Statutory • Financial/Operational • Interim/Continuous /Final <p>e. Explain the inherent limitations of an audit.</p> <p>f. Explain the concept of expectation gap.</p>
<p>2. The regulatory framework of auditing and Professional Considerations</p>	<p>a. Describe the nature, purpose and scope of auditing standards and auditing guidelines (International Auditing Standards).</p> <p>b. Explain the procedure for developing auditing standards and auditing guidelines (International Auditing Standards).</p> <p>c. Examine the statutory and ethical considerations relating to acceptance and continuance of audit assignments.</p> <p>d. Assess the code of professional conduct – independence, objectivity, integrity, duty of care, confidentiality and conflict of interest.</p> <p>e. State the qualification of an auditor.</p> <p>f. State persons disqualified for appointment as an auditor.</p> <p>g. Describe the procedure for appointing and removing an auditor.</p> <p>h. Examine the duties, responsibilities, powers and rights of auditors.</p> <p>i. Describe the process of accepting audit engagements.</p> <p>j. State and explain the contents of letter of engagement.</p> <p>k. Examine the legal liabilities of the auditor.</p> <p>l. Explain how auditors are remunerated.</p> <p>m. Explain management and auditors respective responsibilities for the presentation of financial statements and detection of fraud and error.</p>

PAPER 2.4: Audit and Internal Review (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>3. Basic Principles and Concepts of Auditing</p>	<p>a. Explain the fundamental principles and concepts of auditing:</p> <ul style="list-style-type: none"> • Walk through test • Weakness test • Compliance test • Substantive test • Vouching • Audit risk • Audit sampling – judgmental and statistical, and sample selection methods • Systems based audit • Materiality • True and fair view • Directional and rotational testing • Systems and risk based audit.
<p>4. Auditing Planning and Evaluation</p>	<p>a. Explain the purpose and advantages of audit planning. b. Describe the process of audit planning. c. Prepare audit planning memorandum. d. Examine analytical review procedures as a planning technique. e. Evaluate preliminary materiality levels and audit risks. f. Evaluate the adequacy of accounting system.</p>
<p>5. Internal Controls and Evaluation of Control Risk</p>	<p>a. State the reasons for organisations having effective systems of control. b. Identify the fundamental principles of effective control systems. c. Identify the main areas of a business that need effective control systems. d. Identify the components of internal control in both manual and IT environments, including:</p> <ul style="list-style-type: none"> • the overall control environment and Control Procedures • preventive, detective and corrective controls • internal audit as a control factor <p>e. Define and classify different types of internal control, with particular emphasis upon those which impact upon the quality of financial information. f. Show how specified internal controls mitigate risk and state their limitations.</p>

PAPER 2.4: Audit and Internal Review (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>5. Internal Controls and Evaluation of Control Risk (Cont'd)</p>	<p>g. Identify internal controls for an organisation in a given scenario.</p> <p>h. Identify internal control weaknesses in a given scenario.</p> <p>i. Identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls.</p> <p>j. Define internal control.</p> <p>k. State and explain the types and limitations of internal control.</p> <p>l. Explain the following in relation to internal control: objectives, methods of ascertaining, recording, evaluation, testing systems, control environments and control procedures.</p> <p>m. Establish internal control considerations relevant to specific areas (e.g. wages and salaries, purchases and sales etc.).</p>
<p>6. Evidence Gathering</p>	<p>a. Define and explain the types of audit evidence.</p> <p>b. Describe the qualities of audit evidence – sufficiency, reliability and relevance.</p> <p>c. Examine the techniques for gathering audit evidence (inspection, observation, enquiries, confirmation, computation and analytical review).</p> <p>d. Explain the role of specialists in audit evidence.</p> <p>e. Explain management representation.</p>
<p>7. Internal Audit and Internal Review</p>	<p>a. Explain internal audit and review, and their relationship with:</p> <ul style="list-style-type: none"> • Corporate governance and objectives. • Organization control and risk management. <p>b. Describe the scope and functions of internal audit.</p> <p>c. Examine the nature and extent of internal review assignments (Operational systems, value for money, financial reviews).</p> <p>d. Examine the merits and demerits of outsourcing of internal audit function.</p>

PAPER 2.4: Audit and Internal Review (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>8. Conduct of Audit</p>	<p>a. Design audit programmes. b. Conduct test of controls and transactions. c. Explain the basis for verification (existence, ownership valuation, presentation and completeness). d. Describe the procedures for verifying specific balance sheet items. e. Record and document audit working papers. f. Explain the types of audit files. g. Explain computer audit. h. Use of audit software. i. Examine the effect of computer audit on auditing techniques. j. Explain controls in computer auditing.</p>
<p>9. Reporting Framework</p>	<p>a. Explain the purpose and describe the contents of management letter. b. Draft management letter. c. State and explain the elements of the auditor's report. d. Explain the following types of audit opinion. <ul style="list-style-type: none"> • Unqualified opinion. • Adverse opinion • Disclaimer opinion • "Except for" opinion • "Subject to" opinion e. Describe the format and content of review reports and other reports.</p>

LIST OF RECOMMENDED TEXT

1. ICAG Study Text.
2. Milichamp, A. H. *Auditing: an Instructional Manual*. Continuum.
3. Woolf, E. *Auditing Today*. Prentice Hall.

PAPER 2.3: Business and Corporate Law

1. OBJECTIVES AND LEARNING OUTCOMES

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

- demonstrate a working knowledge of the essential elements of the legal system in Ghana, including the source of law, structure and hierarchy of the court system and Alternative Dispute Resolutions;
- explain the essential principles of contract in relation to formation and remedies for breach of contract;
- apply the legal rules governing special contracts to specific situations i.e. agency, sale of goods and employment contracts;
- explain the duty of care in relation to professional negligence;
- describe the types of business associations i.e. company and partnership;
- understand the legal implications of incorporation, including the roles of shareholders and directors, and the main implications of insolvency law;
- define the roles and responsibilities of officers of a company;
- explain the rules governing the financing, management and administration of companies;
- understand the implications and consequences of non-adherence to legal rules and regulations governing company operations.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of three sections. Section A will consist of three (3) questions on business law, out of which candidates will answer any two (2) questions for 40%. Section B will consist of three (3) questions on company law out of which candidates will answer any two (2) questions for 40%. Section C will consist of two (2) questions on partnership law out of which candidates will answer one (1) question for 20%.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
The Legal System in Ghana	5
General Principles of the Law of Contract. Agency Law	20
Sale of Goods. Hire Purchase	10
Tort Employment Law	15
Partnership Law	10
Formation of a Company Capital and Financing of a Company Management and Administration of a Company	30
Liquidation: Company and Insolvency Law	10
TOTAL	100

SECTION A: Business Law

MAIN TOPIC	SYLLABUS CONTENT
<p>The Legal System</p>	<ol style="list-style-type: none"> a. Outline the sources of law in Ghana: 1992 Constitution, Acts of Parliament, subsidiary legislation, common law, equity and customary law. b. Explain the doctrine of judicial precedent. c. Outline the structure and hierarchy of the courts, including the tribunal of the National House of Chiefs, special tribunals, such as land tribunals, etc. d. Describe Alternative Dispute Resolution Procedure under CHRAJ, arbitration under the Arbitration Act, 1960 (Act 38).
<p>Law of Contract</p>	<ol style="list-style-type: none"> a. Demonstrate adequate knowledge of the law of contract with particular reference to formation, discharge and remedies for breach of contract. b. Explain the basic terms of contract: <ul style="list-style-type: none"> • Offer • Acceptance • Consideration • Intention to create legal relations • Capacity c. Describe the scope and content of Ghana Contract Act, 1960 (Act 25) and its departures from the common law principles of contract, e.g. Privities of Contract, Consideration, etc. d. Explain standard form of contract and the effects of exclusion (exemption) clauses, conditions and warranties. e. Examine the effects of vitiating factors on contracts e.g. mistake, misrepresentation, undue influence, duress, illegibility. f. Explain how a contract is discharged – frustration and its effects under the Contract. g. Explain what constitutes breach of contract. h. State and explain the various remedies of breach of contract such as damages, specific performance, injunction, quantum meruit, rescission etc. i. Explain Limitation of Actions, e.g. what is meant by actions that are barred or statute barred. (Refer to Limitations Decree, 1972 NRCD 54, particularly provisions relating to limitation of action for simple

SECTION A: Business Law (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Special contracts (Agency, Sale of Goods, Hire Purchase, Negotiable Instruments and Employment) Tort	<p>contracts, personal actions, torts and actions for damages. Effect of equitable remedies on limitation of actions).</p> <ol style="list-style-type: none"> a. Define agency. b. Describe the creation and termination of agency relationship. c. Outline the rights and duties of principals and agents to each other and to third parties. d. Explain the main provisions of the Sale of Goods Act, 1963 (Act 137) in relation to the following: <ul style="list-style-type: none"> • Type of goods • Conditions and warranties • Caveat emptor rule • Transfer of title • Nemo dat quod non habet rule • Transfer of property and risk. • Price • Duties of seller and buyer • Breach of sale of goods contract • Remedies of seller and buyer • Auction sale. e. Explain the Hire Purchase Decree, 1974 (NRCD 292), particularly the rights and duties of seller and buyer of protected goods, remedies for breach, if any. f. Explain the purpose of negotiable instruments. g. Explain privity, assignment and negotiability in relation to negotiable instrument. h. Explain the concept Holding in due course. i. Distinguish between forms of bills of exchange and cheques. j. Explain cheques, crossings, endorsements and presentation. k. Describe the duties of banker and customer.

SECTION A: Business Law (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Employment Law	<ul style="list-style-type: none"> a. Explain and apply the concept of tort and tortuous liability. b. Explain negligence, duty of care i.e. nature, effect and consequences of duty of care. c. Describe what constitutes professional negligence d. Explain liabilities in contract and tort relating to negligent misstatement, vicarious liability and breaches of statutory duty of care. e. Explain defences and remedies in tort. f. Explain employers' liability to pay compensation for death or incapacity resulting from accident in the normal cause of employees' duties. g. Explain liabilities in the case of workmen employed by contractors. h. Explain the rules relating to health and safety at work, sanctions on employers for non-compliance, and remedies for employees. <ul style="list-style-type: none"> a. Identify who is an employee and the main legal consequences of employment status. b. Identify the key features of employment contracts and recognise circumstances in which an employment contract may be terminated and the consequences arising. c. Distinguish between formal employment contracts and contract of service. d. Distinguish between termination of contract breach, redundancy, dismissal and resignation. e. Explain the difference between unfair and wrongful dismissal. f. Explain the remedies of employee for wrongful dismissal.

SECTION B: Partnership and Company Law

MAIN TOPIC	SYLLABUS CONTENT
Partnership Law	<ul style="list-style-type: none"> a. Explain the nature of partnership formed under the private Partnership Act, 1962 (Act 152). b. Distinguish between partnership and companies. c. Describe the formation of partnership. d. Explain partnership agreement. e. Explain the relationship between partners. f. State the rule applying in the absence of partnership agreement. g. Explain the cessation of membership of firm. h. Explain the procedures for winding up and dissolution. i. Explain the accounts and audit of partnerships.
Company Formation	<ul style="list-style-type: none"> a. Explain the nature and types of companies. b. Describe the characteristics of different forms of business organisation and the implications for corporate personality. c. List the procedures for incorporation. d. Explain the effects of incorporation. e. Explain 'Ultra vires' and 'lifting the veil of incorporation'. f. Explain pre-incorporation contracts.
Shareholders	<ul style="list-style-type: none"> a. Explain the role of shareholders in the appointment of directors, attendance at meetings, passing of resolutions. b. Explain the types of resolutions. c. Examine the limitations of majority shareholders and protection of minority shareholders.
Officers of the Company	<ul style="list-style-type: none"> a. State the qualifications of directors, secretaries and auditors. b. Explain the procedures for appointing and removing directors, secretaries and auditors. c. State and describe the statutory and fiduciary duties of directors, secretaries and auditors. d. Explain the powers and limitations of directors, secretaries and auditors with special emphasis on conflict of interest. e. Examine situations under which shareholders can challenge actions of directors in relation to the management of the company.

SECTION B: Partnership and Company Law (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Methods of Raising Capital	<ol style="list-style-type: none"> a. Explain the nature of different types of share, the procedure for the issue of shares and forms of payment. b. Explain loan capital, debentures and company changes. c. Explain insider trading/ dealings. d. Explain the maintenance of capital principle. e. Explain the rules relating to capital and dividends.
Disclosure of Corporate Information	<ol style="list-style-type: none"> a. Analyse the information available for company formation and raising capital. b. Examine accounting disclosure requirements and exemptions. c. List the contents of company reports and returns. d. Examine the powers of the Registrar of Companies to investigate company affairs.
Capital Reorganization	<ol style="list-style-type: none"> a. Explain the following types of re-organisations: <ul style="list-style-type: none"> • Reconstruction • Amalgamation • Arrangements. • Takeovers
Liquidation	<ol style="list-style-type: none"> a. Distinguish between voluntary and compulsory liquidations. b. Examine winding up under the Companies Code and Bodies, Corporate (Official Liquidations) Act, 1963 (Act 180). c. Explain the appointments, rights and duties of liquidators and receivers. d. Examine special provisions for the protection of investors and creditors. e. Describe the process of investigation, the conduct of officers civil and criminal remedies. f. Explain proof of debts. g. Explain the process of supervising liquidation and a dissolution.

RECOMMENDED/REFERENCE TEXTS

1. ICAG Manual on Business and Corporate Law
2. Bondzi-Simpson, P.E. *Company Law*, Methodist Book Depot
3. Bondzi-Simpson, P.E. *Law of Contract*, Excellent Printing & Publishing
4. Fridman, G.H.L. *The Law of Agency*, Butterworth.
5. Harpwood, V. *Principles of Tort Law*, Cavendish Publishing
6. Gower, L.C. B *Modern Company Law*, Financial Training
7. Thomas, C.D. *Company Law for Accountants*, Butterworth

LIST OF STATUTES

Bodies Corporate (Official Liquidations) Act, 1963 (Act 180)
Companies Code, 1963 (Act 179)
Contract Act 1960 (Act 25)
Limitations Decree NRCD 54
Financial Administration Act 2003, Act 654
Hire Purchase Decree 1974 (NRCD 292)
Incorporated Private Partnership Act, 1962 (Act 152)
Sales of Goods Act 1963 (Act 137)
Serious Fraud Act.
The 1992 Constitution of the Republic of Ghana
Arbitration Act, 1960 (Act 38)
Factories, Offices and Shops Act, 1970 (Act 328)
Workmen's Compensation Law, 1987 (PNDCL 187)
Labour Act, 2003 (Act 651)

PAPER 2.4: Principles and Practice of Taxation

1. OBJECTIVES AND LEARNING OUTCOMES

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

- Understand tax administration in Ghana in respect of Internal Revenue Service (IRS), Value Added Tax Service (VATS) and Customs, Excise & Preventive Service (CEPS), Revenue Agencies Governing Board (RAGB).
- Understand the general objectives of tax and to calculate personal income tax, capital gains tax, gift tax corporation tax and VAT in straightforward scenarios.
- Understand the fundamental concepts and principles of the Ghana. taxation system and the relevance of taxation to personal and business activities.
- Explain the general objectives of tax, the influences upon the Ghana system of tax and the different types of tax in Ghana.
- Explain the issues arising in the course of performing tax work and identify the obligations the Ghana system of tax imposes on taxpayers and the implications for taxpayers of non-compliance.
- Calculate the amounts of income tax owed by or owed to individuals.
- Calculate the capital gains tax payable by individuals and the chargeable gains subject to corporation tax.
- Calculate the corporation tax liabilities of companies.
- Calculate the amount of VAT owed by or owed to businesses.
- Explain the various taxes collected by CEPS, e.g. Import duties, Import VAT and NHIL.
- Apply the tax principles and laws in the work environment.
- Determine tax liabilities of taxpayers in the various tax systems.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of five compulsory questions.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING %
Tax Administration	20
Indirect Taxes	20
Direct Taxes	40
Double Taxation	5
Capital Gains Tax	10
Gift Tax	5
TOTAL	100

PAPER 2.4: Principles and Practice of Taxation (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Tax Administration</p>	<ol style="list-style-type: none"> a. Narrate how and when taxation was introduced in Ghana. b. Differentiate between direct and indirect taxes. c. Examine the advantages and disadvantages of each system. d. Explain the role of taxation in the national economy. e. Describe the attributes of a good tax system. f. Explain the statutory powers and functions of the Commissioners of IRS, CEPS and VAT Service to ensure compliance with tax rules. g. Assess whether the powers of the Commissioners are adequate to enable them perform efficiently and effectively. h. Explain the rights and obligations of the tax payer. i. State the dates for filing of returns by the various categories of taxpayers and penalties for non-compliance. j. State and explain the various forms used by different taxpayers for filing returns. k. State the penalties imposed by the Commissioners and the courts. <ol style="list-style-type: none"> l. Explain the difference between tax avoidance and tax evasion. m. Define pecuniary penalties. n. State the penalties imposed under the various tax laws. o. State the composition, role and functions of the Revenue Agencies Governing Board (RAGB).
<p>Indirect Taxes</p>	<ol style="list-style-type: none"> a. Differentiate between Customs and Excise duties b. State and explain the different taxes collected by Customs, Excise and Preventive Service (CEPS). c. Explain the concept of Value Added Tax. d. Identify when a business could or should register for VAT and state the time limits. e. Determine the tax point for a supply of goods or services. f. Differentiate between taxable supply (standard rated), exempt supply, relief supply and zero-rated supply.

PAPER 2.4: Principles and Practice of Taxation (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Direct Taxes	<ul style="list-style-type: none"> a. Define the concepts of income and income tax. b. Enumerate and explain the various sources of income. c. Explain the concept of employment and examine the assessment of employment income. d. Examine the advantages and disadvantages of PAYE system. e. Define basic salary. f. State and explain other benefits in cash and kind associated with employment. g. Describe the determination of benefits in kind. h. Explain the meaning of tax relief and examine the various types of tax relief. i. Explain the types of income that are exempt from tax in the hands of the employee and state the rationale behind such exemptions. j. Distinguish between trade, business, profession and vocation. k. State the deductions that are allowed in determining income assessable to tax. <ul style="list-style-type: none"> l. State and explain deductions that are not allowed in determining assessable income. m. Explain the conditions and rationale for granting capital allowance. n. Define qualifying expenditure and explain the types of qualifying expenditure. o. Explain the methods for calculating capital allowance. p. Define unearned income, give some relevant examples and explain the mode of assessment of an unearned income. q. Differentiate between tax holidays and tax exemptions. r. Explain the rationale for granting tax holidays and tax exemptions. s. Identify the types of businesses that enjoy tax holidays and tax exemptions. t. Explain the procedures for determining assessable income, chargeable income and tax liabilities and compute actual tax liabilities. u. Explain the mode of assessment of individuals, partnerships and companies. v. Explain withholding tax, state the various types of withholding tax and examine the necessity for having withholding taxes. w. Examine the effectiveness of withholding taxes administration.

PAPER 2.4: Principles and Practice of Taxation (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Double Taxation	<ul style="list-style-type: none"> a. Explain double taxation and state the need for having double taxation avoidance agreements. b. Identify the countries that have double taxation agreements with Ghana and explain the nature of the arrangement. c. Define and calculate tax credit relief.
Capital Gains Tax	<ul style="list-style-type: none"> a. Identify chargeable assets under the capital gains tax. b. Define and explain realization. c. Define consideration received and cost base. d. Explain transactions which are exempt from capital gains tax. e. Compute capital gains. f. Explain the procedures for filing of returns and payment of capital gains and sanctions.
Gift Tax	<ul style="list-style-type: none"> a. Define taxable gifts. b. Determination of the value of a gift. c. State the transactions that are exempt under the Gift Tax and explain the rationale for granting the exemptions. d. Compute gift tax. e. Describe the procedure for filing and payment of gift tax and state the sanctions.

RECOMMENDED/REFERENCE TEXTS

1. ICAG Manual on Taxation
2. Adjabeng, S. *Notes and Exercises on Ghana Income Tax*.
3. Ali-Nakyea, A. *Taxation in Ghana, Principles, Practice and Planning*, Black Mask Ltd.
4. Akakpo, V.K.A. *Principles, Concepts and Practice of Taxation*.
5. Dua Agyeman, E. *Income Tax, Gift Tax and Capital Gains Tax*, EDA Publications.
6. Kunbuour, B. *Ghana Tax Law Primer*.

LIST OF STATUTES

CEPS (Management) Law 1993 (PNDCL330), with Amendments.
 Internal Revenue Service Act, 2000 (Act 592), with Amendments.
 Internal Revenue Regulation, 2001(LI 1675), with Amendments.
 Mineral (Royalties) Regulations 1987 (L1 1349)
 VAT Act 1998 (Act 546)
 Value Added Tax Regulations, 1998 (L.I. 1646)
 National Health Insurance Act, 2003 (Act 650)

PROFESSIONAL PART 3

PAPER 3.1: Financial Reporting

1. OBJECTIVES AND LEARNING OUTCOME

The aim of the paper is to ensure that candidates have acquired the knowledge and understanding of the concepts and principles of accounting and how these can be applied in commerce, industry and in other practice. At the end of the course, the candidate should be able to:

- To enable students to prepare a complete set of financial statements for single entities and for groups in conformity with International Financial Reporting Standards (IFRS).
- To recommend accounting treatments for items in the financial statements, and to prepare and present the financial statements of limited companies and groups in accordance with approved accounting standards, statutory requirements and generally accepted accounting principles in Ghana.
- Explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information and apply the International Accounting Standards Board's (IASB) conceptual framework for financial reporting.
- Prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with IFRS.
- Identify the circumstances in which entities are required to present consolidated financial statements and prepare and present them in conformity with IFRS.
- Calculate ratios and explain their use in the interpretation of accounting information.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of five (5) questions, all of which must be answered. Previous knowledge of Financial Accounting Fundamentals is assumed.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING %
The Regulatory and Financial Reporting Framework	10
Partnership Accounting	15
Limited Liability Companies	20
Consolidated Financial Statements	15
Analysis and Interpretation of Financial Statements	15
Accounting for leasing and Hire Purchase Accounting for Foreign Branch operation	15
Application of International Financial Reporting Standards	10
TOTAL	100

PAPER 3.1: Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
1. The Regulatory and Financial Reporting Framework	<p>a. Apply the Incorporated Private Partnerships Act, 1962 Act 152 to Partnership in Ghana.</p> <p>b. Apply the Companies Code 1963, Act 179 to limited liability companies in Ghana.</p> <p>c. The International Accounting Standards Board (IASB)</p> <ol style="list-style-type: none"> (i) The role of the International Accounting Standards Board (IASB) (ii) The standard setting process <p>d. The framework for the preparation and presentation of financial statements:</p> <ol style="list-style-type: none"> (i) Objective of financial statements (ii) Qualitative characteristics of financial statements (iii) Elements of financial statements (iv) Recognition and measurement of elements of financial statements (v) Fair value basis of measurement (vi) Concepts of capital and capital maintenance <p>e. Illustrate how different methods of recognising and measuring assets and liabilities can affect the financial performance of the single entity or group.</p> <p>f. Discuss the concepts of 'fair presentation' and 'true and fair view'.</p> <p>g. Circumstances in which these concepts may override the detailed provisions of legislation or of accounting standards.</p>
2. Partnership Accounting	<p>a. Explain changes in the constitution of partnership in relation to:</p> <ul style="list-style-type: none"> • admission, retirement/death • profits sharing arrangements • guarantees in respect of salaries and profits/commissions <p>b. Explain goodwill and the factors that give rise to it.</p> <p>c. Distinguish between purchased and non-purchased goodwill.</p> <p>d. Calculate goodwill and make appropriate entries in the ledger accounts.</p> <p>e. Explain and record life assurance policies in partnership.</p>

PAPER 3.1: Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>3. Accounting for limited companies</p>	<ul style="list-style-type: none"> f. Explain dissolution. g. Record the treatment of dissolution including piecemeal realisation. h. State and explain the types of amalgamation of firms (including the conversion of sole proprietorships into a partnership). i. Demonstrate knowledge of the relevant sections of the partnership Act of 1962, Act 152. <ul style="list-style-type: none"> a. Explain the accounting treatment of the issue, redemption, forfeiture of shares and debentures. b. Explain and record rights and bonus issues in ledger accounts. c. Explain and record dividend in ledger account (including capitalization issue). d. Prepare final accounts (including director's reports) for publication for non-group limited liability companies in accordance with the Companies Code 1963, Act 179, and other relevant national and international standards. e. Convert sole trading or partnership organisations to a limited liability company. f. Explain and record pre-incorporation profits and losses. g. Prepare detailed cash flow statements for non-group limited liability companies with reference to IAS 4. h. Prepare final accounts for specialized companies – insurance, banking, non-banking financial institutions and mining. i. Prepare value-added statement for non-group limited companies.
<p>4. Consolidated Financial Statements</p>	<p>Explain the objective of consolidated financial statements.</p> <ul style="list-style-type: none"> a. Explain why it is necessary to use fair values for the consideration for an investment in a subsidiary together with the fair values of a subsidiary's identifiable assets and liabilities when preparing consolidated financial statements. b. Define an associate and explain the principles and reasoning for the use of equity accounting. c. Identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements.

PAPER 3.1: Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>4. Consolidated Financial Statements (Cont'd)</p>	<p>d. Identify the laws, regulations, accounting standards and other requirements applicable to the legal entity and consolidated financial statements of an entity</p> <p>e. Prepare and present the consolidated financial statements of an entity in accordance with its accounting policies and the international financial reporting framework, using calculated amounts and other information.</p> <p><i>Note</i> These areas would not be examined:</p> <ul style="list-style-type: none"> • Problems involving more than one subsidiary • Piecemeal acquisitions • Disposal of subsidiaries • Sub-Subsidiaries and Mixed Group • Foreign Subsidiaries • Group Cash Flow • De-mergers • Group Restructuring
<p>5. Accounting for Specialized Transactions</p>	<p>a. Explain and record hire purchase, lease and other credit sale transactions.</p> <p>b. Explain and record foreign currency transactions (excluding those relating to groups) in accordance with IAS 21.</p> <p>c. Prepare branch accounts including foreign branches.</p>
<p>6. Analysis and Interpretation of Financial Statements</p>	<p>a. Explain the types of analyses.</p> <p>b. Analyse and interpret a set of accounts/financial statements.</p> <p>c. State the uses of accounting ratios and their limitations.</p> <p>d. Describe the impact of price level changes on financial analyses.</p>
<p>7. Selected Accounting Standards</p>	<p>Identify and recommend accounting treatments for items in financial statements.</p> <ul style="list-style-type: none"> • Accounting Policies, Changes in Accounting Estimates and Errors. • Events occurring after the balance date.

PAPER 3.1: Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>7. Selected Accounting Standards (Cont'd)</p>	<ul style="list-style-type: none"> • Property, Plant and Equipment • Government Grant and Disclosure of Government Assistance • Borrowing Costs • Income Taxation • Interim Financial Statement • Provisions, Contingent Liabilities and Contingent Assets • Investment Properties • Intangible Assets • Impairment of Assets • Financial Instruments • Related Party Disclosures • Segment Reporting • Agriculture • Insurance • Exploration for and evaluation of mineral resources

LIST OF RECOMMEND TEXT

1. ICAG Study Text.
2. Jennings R. *Financial Accounting*.
3. Gyasi, K. *Partnership and Company Accounts*. Kwabotwe.

OTHER REFERENCES

Companies Code 1963, Act 179.
 Incorporated Private Partnership Act 1962, Act 152.
 International Financial Reporting Standards.
 Banking Act.
 Insurance Act.
 Internal Revenue Service Act 2000, Act 592.
 VAT ACT 1998, Act 456.
 VAT Regulations 1998 (L1 1646).

PAPER 3.2: Public Sector Accounting

1. OBJECTIVES AND LEARNING OUTCOMES

- Explain the legal and regulatory framework underpinning Government Accounting.
- Demonstrate an understanding of the nature of the public sector accounting system.
- Explain the meaning and importance of public sector accounting.
- Distinguish between private and public sector accounting.
- Describe the different techniques of accounting in the public sector.
- Apply the basic principles and concepts of public sector accounting as it applies to MDAs/MMDAs.
- Demonstrate an understanding and application of the public sector accounting standards.
- Analyse the various sources and application of government receipts and payments.
- Prepare government financial reports at national and district levels.
- Apply the finance-related laws, rules and regulations in public sector accounting.
- Apply the Public Sector Accounting Concepts and Standards.
- Demonstrate an understanding of the Government budgeting, control and accounting processes.
- Describe the nature of capital assets.
- Evaluate current issues in Government accounting and financial control.

2. FORM OF EXAMINATION

The examination will be a three-hour of five questions, all of which should be answered.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

Proposed Syllabus for ICAG Qualifying Examinations

SYLLABUS COVERAGE	WEIGHTING (%)
Introduction to Public Sector Accounting	5
Overview of Regulatory Framework of Public Sector Accounting	10
Public Sector Accounting Concepts	5
Sources of Government Revenue	5
Government Expenditure and Payments Process	10
Accounting for Government Stores	5
Fund Accounting	5
Local Government Budgeting and Financial Reporting Systems	5
Central Government Budgeting and Control	5
Financial Reporting and Control in the Public Sector	10
Accounting for Salaries and Pensions	5
Accounting Systems and Practices of Statutory Corporations and Other Public Institutions	5
Cash Management and Control	5
Accounting for Public Debt	5
Capital Assets	5
Provisions of Public Procurement Act	5
Contemporary Issues in Public Sector Accounting	5
TOTAL	100

PAPER 3.2: Public Sector Accounting (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Introduction to Public Sector Accounting	a. Identify the users of public sector financial statements and their information needs. b. Identify the objectives of government financial reporting. d. Describe the information which should be reported by a public sector entity. e. Identify and describe public sector assets.
Overview of Regulatory Framework of Public Sector Accounting	Outline the general provisions of the following legislations: <ul style="list-style-type: none"> • Financial Administration Act [FAA] and Financial Administration Regulation [FAR] • Procurement Agency Act • Audit Service Act • Internal Audit Service Act • International Public Sector Accounting Standards (IPSAS).
Public Sector Accounting Concepts	<ul style="list-style-type: none"> • Explain the following bases of accounting : Cash and Accruals. • Describe the Financial accounting techniques in the public sector. • Explain the bases of recognition and measurement of Assets and Liabilities.
Sources of Government Revenue	Describe the following sources of government revenue: <ul style="list-style-type: none"> • Tax revenue • Non-tax revenue • Others • Grants and other financial assistance • Trust monies, e.g. Trust funds
Government Expenditure and Payments Process	<ul style="list-style-type: none"> • Outline and describe the main classes of government expenditure • Describe the mode of funding institutional commitments • Describe the government expenditure commitment process • Detail out the government payment process

PAPER 3.2: Public Sector Accounting (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Accounting for Government Stores	<p>Explain the following processes associated with accounting for government stores</p> <ul style="list-style-type: none"> • Transfer of Stores • Discharge of accountability for government stores • Special Enquiry • Application of stores
Fund Accounting	<p>Explain the composition of and accounting for Public Funds</p> <ul style="list-style-type: none"> • Consolidated fund • Contingency fund • Other funds (eg District Assembly Common Fund, GET Fund, Road Fund, etc)
Local Government Budgeting and Financial Reporting System	<ul style="list-style-type: none"> • Outline the Structure and levels of Governance of local government • Describe the financial relations between central and local government • Give an Overview of budgeting by local governments <ul style="list-style-type: none"> • Concepts of budgeting • Legal framework • Structure and contents of the local government budget • Describe local government budgeting process • Explain local government budgeting system and presentation format • Describe local government budget execution, monitoring and evaluation • Explain MMDAs' accounting and reporting systems
Central Government Budgeting and Control	<ul style="list-style-type: none"> • Give an overview of budgeting by central government <ul style="list-style-type: none"> • Concepts of budgeting • Legal framework • Structure and contents of the national budget • Describe central government budgeting process • Explain central government budgeting system and presentation format • Describe central government budget execution, monitoring and evaluation

PAPER 3.2: Public Sector Accounting (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Financial Reporting and Control in the Public Sector	<ul style="list-style-type: none"> • Explain the content and format of Monthly Statement of Public Accounts prepared and submitted by CAGD • Explain the content and format of Monthly Statement of Revenue and Expenditure prepared by MDAs • Explain the content and format of Annual financial reports by MDAs • Explain the content and format of Annual Statements of the Public Accounts prepared by CAGD • Analyse and interpret financial reports • Outline the principles and practice of financial controls • Outline the roles and responsibilities of monitoring and oversight institutions: <ul style="list-style-type: none"> • Auditor-General • Internal Audit Agency • Public Accounts Committee
Accounting for Salaries and Pensions	<p>Explain the following processes involved in accounting for salaries and pensions:</p> <ul style="list-style-type: none"> • Payroll processes • Requirements for Defined Benefit Plans calculations • Parameters for Actuarial calculations • Recording Pension-related Assets, Liabilities and Expenditure • Pension Disclosures
Accounting Systems and Practices by Statutory Corporations and Other Public Institutions	<p>Explain the following aspects of Financial Administration of Statutory Corporations and other Public Institutions:</p> <ul style="list-style-type: none"> • Funding • Banking Systems • Investments • Procurement and award of contract • Financial Record-keeping • Monthly and Annual Financial Reporting • Operational Auditing and Annual Financial Statement Audit • Composition and Responsibility of Board of Directors • Minister's power of direction

PAPER 3.2: Public Sector Accounting (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Cash Management and Control	<p>Explain the following aspects of Cash Management and Control Practices of MMDAs and MDAs:</p> <ul style="list-style-type: none"> • Investment and deposits disclosures • Advances and loans from the consolidated funds • Bank reconciliation • Petty cash control
Accounting for Public Debt	<p>Explain how the public debt is accounted for with reference to legislation, acquisition, servicing, redemption and reporting:</p> <ul style="list-style-type: none"> • Domestic debt • External debt
Capital Assets	<p>Explain the following aspects of Accounting for Capital Assets:</p> <ul style="list-style-type: none"> • Recording and Valuing Capital Assets • Depreciation Accounting in the Public Sector • Using the Modified Approach in lieu of Depreciating Infrastructure Assets • Treatment of Capital Assets resulting from Capital Lease transactions • Impairment of Capital Assets
Contemporary Issues in Public Sector Accounting	<p>Explain how to deal with the following Economic condition reporting:</p> <ul style="list-style-type: none"> • Derivatives and Hedging • Environmental Accounting • Accounting and Financial Control failures • Financial Administration Tribunal [establishment, jurisdiction, compensation and reparation, and appeals procedures

PAPER 3.2: Public Sector Accounting (Cont'd)

MAIN TOPIC	SYLLABUS CONTENT
Provisions of the Public Procurement Act	<ul style="list-style-type: none"> • Outline the governing structure of the Procurement Board • Describe the procurement structures • Explain the procurement rules • Explain and apply the methods of procurement • Explain the tendering procedures with particular reference to invitation of tenders, submission of tenders and evaluation and comparison of tenders • Describe the methods and procedures to engage the services of consultants • Explain the review procedures • Explain the procedure for disposal of stores, plant and provisions.

REFERENCES

- 1992 Constitution of Ghana
The Financial Administration Act 2003, Act 654
The Financial Administration Regulations 2004, LI 1802
Local Government Act 1993, Act 462
Internal Audit Agency Act 2003 Act 658
Audit Service Act 2000 (Act 584)
The Public Procurement Act 2003 (Act 663)
Local Government Financial Memoranda
PUBLIC SECTOR Accounting Made Easy - Warren Ruppel
Innovations in PUBLIC SECTOR Accounting - Vicente Montesinos and Jose Manuel Vela
Accounting for government and Non-profit Entities - Dr. Leon E. Hay
PUBLIC SECTOR and Non-profit Accounting Revised - Freeman, Shoulders
Government and Non-profit Accounting; Concepts and Practices - Michael A. Granof
Essentials of Accounting for Government and Not-for-Profit Organization - Engstrom, Hay

3.3: Cost and Management Accounting

1. OBJECTIVES AND LEARNING OUTCOMES

- a. To gain an understanding of costing concepts and their application in the design, implementation and operation of costing systems.
- b. To develop knowledge and understanding of how to prepare and process basic cost and quantitative information in a variety of business contexts.
- c. Explain the nature and purpose of cost and management accounting.
- d. Describe costs by classification, behaviour and purpose.
- e. Calculate, record and report information necessary for effective cost management.
- f. Apply cost management techniques which achieve the strategic objectives of the business.
- g. Advise on the issues and principles of control centres.
- h. Provide appropriate information for decision making.
- i. Explain cost accounting, management accounting and financial accounting.
- j. Calculate product and service costs under different methods of accounting;
- k. Identify relevant costs for decision-making.
- l. Describe the principles of budgeting and prepare budgets.
- m. Prepare and coordinate budgets and standard costing reports for planning, feedback and control.

2. FORM OF EXAMINATION

The examination will be a three-hour paper consisting of five (5) questions, all of which must be answered of equal marks of 20% each.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

3.3: Cost and Management Accounting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Nature, Purpose and Scope of cost Accounting</p>	<ul style="list-style-type: none"> a. Explain the purpose and scope of Cost Accounting. b. Explain the relationship between Financial Accounting, Cost Accounting and Management Accounting. c. Explain the responsibilities of the Management Accountant in the management process. d. Outline and explain the nature and role of management accounting and financial management.
<p>Cost Concepts, and Cost Classification</p>	<ul style="list-style-type: none"> a. Define cost and explain the need for classifying costs and revenues. b. Outline the methods of Cost Classification. c. Explain cost estimation and cost behaviour – variable and fixed costs; relevant and irrelevant costs; avoidable and unavoidable costs; sunk costs; opportunity cost. d. Describe the factors that influence cost behaviour.
<p>Elements of Cost</p>	<ul style="list-style-type: none"> a. Define and explain the procedures in stock control (ordering, purchases, receipts, storage and issue of materials). b. Calculate and explain stores pricing (receipts and issues and different pricing methods, using FIFO, LIFO, standard and weighted average). c. Appraise the impact on profit reporting using various stock evaluation methods for raw material, work-in-progress and finished goods. d. Compute, explain and interpret inventory control techniques (economic order quantity (EOQ) and other control levels). e. Explain the accounting treatment of inventory losses, transportation and material handling costs. f. Explain payroll routines, apply different remuneration methods, and distinguish between direct and indirect labour costs of products and of organisations. g. Explain the principles in determining overheads allocation and absorption into cost of products and services. h. Calculate overhead absorption rates and determine the cost of product or service. i. Explain predetermined overhead rates and actual

3.3: Cost and Management Accounting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Costing Methods (Job, Batch, Contract and Process Costing)</p>	<p>overhead rates.</p> <p>j. Explain the accounting treatment of the under/over-recovery of overheads.</p> <p>k. Identify and explain the methods of overhead recovery.</p> <p>l. Distinguish between overhead absorption and overhead apportionment (allotment, allocation, apportionment, absorption, etc.).</p> <p>a. Define Job, batch and contract costing.</p> <p>b. Explain the features and preparation of job costing.</p> <p>c. Explain the features and preparation of batch costing.</p> <p>d. Explain the features of contract costing.</p> <p>e. Prepare contract accounts and determine the attributable profit.</p> <p>f. Define the process of process costing</p> <p>g. Explain the features of process costing.</p> <p>h. Prepare process accounts.</p> <p>i. Explain the treatment of work in progress and equivalent units.</p> <p>j. Explain the accounting treatment for normal and abnormal gains/losses.</p> <p>k. Explain process costing for decision making and cost control.</p> <p>l. Describe the methods of apportioning joint costs to joint products.</p> <p>m. Explain the accounting for by-products, scrap, waste and defective units.</p>
<p>Budgets and Budgetary Control</p>	<p>a. Define and explain budget and budgetary control.</p> <p>b. Explain the purposes of preparing budgets.</p> <p>c. Explain the conflicting roles of budgets.</p> <p>d. Outline the stages in a budgeting process.</p> <p>e. Explain the budget period.</p> <p>f. Explain the administration of the budget.</p> <p>g. Explain the importance of budget manual.</p> <p>h. Identify and describe various types of budgets.</p> <p>i. Explain fixed vs. flexible budgets.</p> <p>j. Explain the process for the preparation of cash and functional budgets.</p> <p>k. Prepare master budget.</p>

3.3: Cost and Management Accounting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Costing Techniques (Absorption and Marginal Costing)</p>	<ul style="list-style-type: none"> a. Explain the elements of absorption costing and marginal costing. b. Prepare income statements under absorption and marginal costing. c. Interpret reported profits under the two methods. d. Prepare a statement to reconcile profits/(loss) obtained under the two methods (using the same data).
<p>Activity-Based Costing (ABC)</p>	<ul style="list-style-type: none"> a. Explain the principles underlying the design of ABC systems. b. Explain the shortcomings of traditional costing systems. c. Do comparison of activity-based and traditional costing systems. d. Compute product costs using ABC system. f. Outline and explain the limitations of ABC System.
<p>Standard Costing and Variance Analysis</p>	<ul style="list-style-type: none"> a. Explain and define the terms associated with standard costing. b. Draw and describe a standard cost card for a unit of output. c. Explain the operation of a standard costing system. d. Describe the setting of standard costs. e. Outline types of cost standards. f. Explain the purposes of standard costing. g. Calculate material, labour, overhead and sales variances, explaining the meaning, computation and causes. Variances should include that of mix and yield variances.
<p>Cost for Decision Making</p>	<ul style="list-style-type: none"> a. Define the decision making process and identity the type of cost information relevant for decision making. b. Use relevant and strategic cost analysis to make special order decisions. c. Use relevant and strategic cost analysis in the make, lease, or buy decision and shut down decisions.

3.3: Cost and Management Accounting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Cost for Decision Making (Contn'd)</p>	<p>d. Use relevant and strategic cost analysis in the decision to sell before or after additional processing.</p> <p>e. Use relevant and strategic cost analysis in the decision to keep or drop products or services.</p> <p>f. Use relevant and strategic cost analysis to evaluate programmes.</p> <p>g. Analyse decisions with multiple products and limited resources.</p> <p>h. Discuss the behavioural, implementation, and legal issues in decision making.</p> <p>i. Explain the concept of 'Cost-Volume-Profit analysis' and apply it as a tool to demonstrate the relationship between costs, activity level and profit level.</p>
<p>Performance Evaluation and Control of Responsibility Centres</p>	<p>a. Define responsibility accounting and state types of responsibility centres.</p> <p>b. Examine the merits and demerits of decentralisation.</p> <p>c. Examine the basis of comparison used for performance evaluation.</p> <p>d. Define and compute return on investment (ROI), accounting rate of return (ARR), residual income (RI) and Economic value added (EVA).</p> <p>e. Explain and compute shadow prices.</p> <p>f. Define transfer pricing and explain its objectives.</p> <p>g. Explain the different transfer pricing methods and when each method should be used.</p> <p>h. Discuss the important international tax issue in transfer pricing.</p>

RECOMMENDED/REFERENCE TEXTS

1. ICAG Study Text
2. Arora, M.N. *Cost Accounting: Principles and Practice*. Vikas House Publishing.
3. Drury, C. *Costing: An Introduction*, Int. Thompson.
4. Horngren, C.T. *Cost Accounting: A Managerial Emphasis*. Prentice Hall.
5. Lucy, T. *Management Accounting*.

PAPER 3.4: Financial Management

1. OBJECTIVES AND LEARNING OUTCOMES

The principal objective is to improve the business manager's ability to handle with professionalism the various financial problems confronting businesses of all sizes. Basic financial management issues are covered. Additionally, candidates will study financial concepts and strategies that maximise the value of the firm. At the end of the course, candidates should be able to:

- describe the financial environment within which an organisation functions;
- assess and evaluate the plans, actions and financial position of clients;
- investigate relevant sources of finance and advise clients on funding methods;
- advise companies on standard financial products and calculate investment returns from competing projects;
- perform calculations and provide related advice to client on company valuations, mergers and acquisitions;
- perform calculations and provide related advice to clients on corporate restructuring situations;
- advise on the forms of corporate insolvency and complete and use the statement of affairs;
- describe the major capital market models and provide basic advise on stock exchange requirements and the role of the accountant;
- discuss the corporate debt market and instruments and the principles of loan documentation;
- perform basic calculations and discuss the use of derivatives in long term risk management;
- discuss the impact of government economic actions on financial situations;
- apply a code of ethics within a professional framework.

2. FORM OF EXAMINATION

The examination will be a three-hour paper consisting of five (5) questions. Candidates are required to answer all five questions.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING %
The finance function and environment	10
Financial system : Money and Capital market	10
Financial analysis and working capital management	10
Mathematics of finance	5
Investment decision/appraisal	15
Long term financial policy	10
Corporate debt, securities and loans	10
Company valuations, mergers and acquisitions	10
Derivatives: swaps, forwards, futures and options	10
Impact of national economic policy	5
Foreign exchange risk	10
TOTAL	100

PAPER 3.4: Financial Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>1. The Finance Function and Environment</p>	<p>a. Define finance and its three main areas:</p> <ul style="list-style-type: none"> • Corporate financial management • Investment • Financial market and institutions <p>b. Describe the external financial environment.</p> <p>c. Describe the three major types of financial management decisions:</p> <ul style="list-style-type: none"> • Investment • Financing • Dividend policy decisions <p>d. Explain internal finance strategies.</p> <p>e. Describe the role of the finance manager in private and public sector organisations.</p> <p>f. Explain the basis for the firm's goal of maximising shareholders' wealth.</p>
<p>2. Money and Capital Market</p>	<p>a. Evaluate the sources on funds available to a firm.</p> <p>b. Describe the institutional investors.</p> <p>c. Distinguish between money markets and capital markets.</p> <p>d. Explain the characteristics of securities in the:</p> <ul style="list-style-type: none"> • Money market • Capital market <p>e. Describe the scale of stock market activity around the world and explain the reasons for the widespread adoption of stock exchange.</p> <p>f. Explain the function of stock exchange and the importance of an efficient stock exchange.</p> <p>g. Examine the Ghana Stock Exchange regulation and reporting requirements.</p> <p>h. Identify efficient portfolios and then apply utility theory to obtain optimum portfolios.</p> <p>i. Calculate two-asset portfolios, expected returns and standard deviations.</p> <p>j. Describe the fundamental features of the capital asset pricing model (CAPM).</p> <p>k. Explain the key characteristics of the arbitrage pricing theory (APT).</p> <p>l. Explain random walk hypothesis.</p> <p>m. Describe the role of licensed dealing members (brokers) and financial intermediaries.</p>

PAPER 3.4: Financial Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>3. Financial Analysis and Short-term Financial Management</p>	<p>n. Examine the roles of banks in providing finance for firms.</p> <p>o. Appraise corporate-bank relationships.</p> <p>p. Assess the regulation of financial services industry.</p> <p>a. Explain financial analysis.</p> <p>b. Compute and interpret financial ratios.</p> <p>c. Prepare reports on the performance of companies to management and other users.</p> <p>d. Explain the composition of a firm's working capital and calculate the cash conversion cycle.</p> <p>e. Describe and apply the following cash management models:</p> <ul style="list-style-type: none"> • Baumol model • Miller-Orr model • Cash forecasting and budget <p>f. Describe the mechanisms of short-term borrowing through trade credit, short-term bank loans and commercial paper.</p> <p>g. Compute the costs of short-term funds.</p> <p>h. Evaluate credit-grading decisions.</p> <p>i. Identify and calculate inventory management costs.</p> <p>j. Apply inventory management models (EOQ, JIT, etc.) to the problem of optimizing the firm's inventories.</p>
<p>4. Mathematics of Finance</p>	<p>a. Distinguish between and calculate simple and compound interests.</p> <p>b. Distinguish between and compute nominal and effective rate of interest.</p> <p>c. Calculate and interpret future and present values of cash flow.</p> <p>d. Calculate and interpret annuities, sinking funds and amortisations.</p> <p>e. Appraise investment projects using pay-back (PB), accounting rate of return (ARR), net present value (NPV), profitability index (PI) and internal rate of return (IRR).</p>

PAPER 3.4: Financial Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
5. Investment Decision (Appraisal)	a. Calculate the incremental after tax cash flow for a capital budgeting project. b. Calculate various investment criteria for capital budgeting, including its NPV, IRR and PI. c. Explain why NPV is the most reliable investment criterion, and describe the problems that can arise when other investment criteria are used. d. Describe the problems that can arise with IRR. e. Evaluate asset replacement decision/replacement cycle. f. Calculate annual equivalent annuities. Analyse make or buy decision and examine the effects of taxation, inflation, risk and uncertainties (including probabilities and sensitivity analysis).
6. Long term financial policy	a. Describe the five different views of capital structure: <ul style="list-style-type: none"> • Perfect market • Corporate tax • Personal tax • Agency cost • Bankruptcy cost b. Examine the effects of gearing, and differentiate between business and financial risks. c. Distinguish between operating leverage and financial leverage. d. Explain the relevance of some important, but often non-quantifiable, influences on the optimal gearing level. e. Explain why the cost of capital is based on the concept of an opportunity cost and not on the historical cost of funds. f. Distinguish among the cost of capital, the required return to equity and the required return to debt, and identify the major determinants of each. g. Estimate the cost of capital budgeting project. h. Describe the influence of particular dividend policies attracting different 'clients' as shareholders, the effect of taxation and the importance of dividends as a signaling effect. i. Evaluate the impact of agency theory on the dividend decision. j. Calculate the value of right, theoretical rights and ex right.

PAPER 3.4: Financial Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>7. Corporate Debt Securities and Loans</p>	<p>a. Describe the typical features of banks. b. Describe the main considerations for a firm when issuing bonds. c. Explain the term, structure of interest rates and the reasons for its existence. d. Examine guarantee and covenants in relation to banks.</p>
<p>8. Company Valuations, Mergers and Acquisitions</p>	<p>a. Prepare valuation of business interests. b. Describe the mechanics of mergers and acquisitions. c. Examine the benefits to shareholders. d. State the indicators of financial distress. e. Differentiate the forms of insolvency. f. Explain the methods for the valuation of shares (dividends growth models, earnings growth models net assets, etc).</p>
<p>9. Derivatives: Swaps, Forwards, Futures and Options</p>	<p>a. Describe the markets for derivatives. b. Distinguish among swaps, forwards, futures and options. c. State and examine the risks associated with derivatives. d. Examine the financial implications of a derivative position. e. Describe the disclosure requirements in respect of financial derivatives.</p>
<p>10. Impact of National Economic Policy</p>	<p>a. Examine the effect of the following on the financial decision making:</p> <ul style="list-style-type: none"> • Interest rate • Taxation • Foreign exchange
<p>11. Foreign Exchange Risk</p>	<p>a. Explain the role and importance of the foreign exchange market. b. Describe hedging techniques to reduce the risk associated with transactions entered into in another currency. c. Explain how firms can benefit from forecasting exchange rates. d. Explain how the following can be measured:</p>

PAPER 3.4: Financial Management (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
11. Foreign Exchange Risk (Cont'd.)	<ul style="list-style-type: none"> • Transaction exposure • Economic exposure e. Explain the following: <ul style="list-style-type: none"> • Credit risk exposure • Interest risk exposure • Gearing risk exposure • Cash flow risk exposure

LIST OF RECOMMENDED TEXT

1. ICAG Study Text
2. Ross, S. A. *et al. Corporate Finance*' 5th Edition, McGraw Hill.
3. Ross, S. A. *et al. Fundamentals of Corporate Finance*, 2nd Edition, International Candidate Edition, Irwin.
4. Brealey, R. and Myers, S. *Principles of Corporate Finance*, 4th Edition, McGraw Hill Book Company.
5. Pandey, I. M. *Financial Management*, Vikas.

PROFESSIONAL PART 4

PAPER 4.1: Advanced Financial Reporting

1. OBJECTIVES AND LEARNING OUTCOMES

The overall aim of this paper is to test candidates' ability to:

- To provide candidates with in-depth knowledge of financial reporting standards and to provide the necessary skills for their application.
- To ensure that students are able to demonstrate competence and exercise judgement in the preparation and presentation of quality financial information in group as well as non-group situations.
- Discuss international and local corporate reporting framework.
- Prepare consolidated financial statements.
- Prepare complete sets of statutory financial statements with complete disclosures.
- Interpret financial statements and assess their usefulness to various stakeholders.
- Cope with current reporting issues and developments.
- Apply requirements of all the IFRSs in issue relationship to practice relative to the provision of financial information to internal and external users in accordance with institutional regulations;
- Demonstrate the skills to work within the professional and ethical framework of the accounting profession;
- Assess and explain problems associated with income and value measurements during periods of price level changes.
- Prepare and present accounts and reports on business valuation, etc.

2. FORM OF EXAMINATION

The examination will be a three-hour paper of five questions, all of which are to be answered. Calculators may be used, but marks will not be awarded unless workings are shown. Previous knowledge of Financial Reporting is assumed

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Overview of International Financial Reporting Standards	15
Advanced Group Financial Statements Accounting for Associates and Joint Ventures Preparation of Group Cash Flow Statements	25
Income and Value Measurement and Accounting for Price Level Changes	15
Share and Business Valuation	15
Scheme of Re-organisation/ Capital Reduction /Reconstruction Scheme	15
Interpretation of Financial Information	15
TOTAL	100

PAPER 4.1: Advanced Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>1. Overview of IFRS</p>	<p>Explain and apply all extant IFRSs published by IASB</p>
<p>2. Consolidated Financial Statements</p>	<ul style="list-style-type: none"> a. Explain the principles of acquisition accounting. b. Preparation of group financial statements – consolidated balance sheet; consolidated income statement. c. Describe the measurement principles relating to fair values of the consideration and net assets acquired. d. Describe the stages and nature of acquisition. e. Preparation of consolidated financial statements where control is achieved in stages. f. Demonstrate understanding of accounting for complex group structures. g. Explain and apply the provisions of the Companies Code 1963, Act 179 relating to holding and subsidiary relationship. h. Explain the principles relating to the disposal of group companies. i. Describe the treatment of goodwill on disposal. j. Explain the principles of accounting for partial and deemed disposals. k. Describe the creation of a new holding company. l. Describe the changes in the ownership of companies within a group. m. Demonstrate understanding of nature and accounting for mergers and demergers, and divisionalisation. n. Explain the principles and preparation of financial statements after group reorganisation and reconstruction. o. Explain the principles of and methods of accounting for associates and joint ventures. p. Describe the preparation of group financial statements with associates and joint ventures. q. Discuss the current accounting standards relating to interests in associates and joint ventures. r. Preparation of Group Cash Flow Statements including elements of acquisition and disposal of subsidiaries. s. Preparation of Group Cash Flow Statements incorporating associates, joint ventures, and foreign currencies.

PAPER 4.1: Advanced Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
3. Income and Value Measurement and Accounting for Price Level Changes	a. List and explain the concepts and alternative approaches to income measurement. b. Analyse the problems associated with income and value measurement. c. Explain the concepts of capital maintenance and solve related problems. d. List and explain alternative approaches to valuation of assets. e. Evaluate effects of price level changes on businesses. f. Explain the characteristics and limitations of Historical Cost Accounting as a basis of Income Determination. g. Explain the principles of Constant Purchasing Power Accounting. h. Explain the principles of Current Cost Accounting. i. Describe the relationship between the Capital Maintenance Concepts, CCA, CPP Accounting and Historical Accounting.
4. Valuation of Business	a. Explain and apply earnings based valuation methods including: <ul style="list-style-type: none"> • Earning yield valuation • Price/earnings ratio valuation • Super-profit valuation b. Explain and apply asserts based valuations methods including: <ul style="list-style-type: none"> • Book value • Current open market value • Existing use value • Alternative replacement cost value • Going concern value c. Compare and contrast methods of valuation of quoted and unquoted shares for minority and minority holdings (i.e. dividends, earnings and values basis) and solve related problems. d. Evaluate qualitative factors affecting valuation. e. Prepare and explain profit forecasts. f. Prepare and present reports relating to offers for sale in accordance with the requirements of the Ghana stock Exchange. g. Prepare reports on valuation of business suitable for presentation to interested persons.

PAPER 4.1: Advanced Financial Reporting (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>5. Schemes of Re-organisation/ Reconstruction</p>	<p>a. Explain and apply provisions of Companies code 1963, Act 179 relating to purchase and redemption of shares (including own shares).</p> <p>b. Examine/evaluate the provisions of Companies Code 1963, act 179 relating to reduction of capital and solve related problems.</p> <p>c. Construct a scheme for reduction of capital.</p> <p>e. Explain and apply statutory regulations regarding amalgamation take over and mergers.</p> <p>f. Analyse, explain and apply statutory regulations relating to reconstructions as regards:</p> <ul style="list-style-type: none"> • alternative of capital structure of a single company • demerger • transfer of the undertaking of one company to another company <p>f. Prepare and present accounts and reports relating to changes in the structure of companies including liquidation and bankruptcy.</p>
<p>6. Interpretation of Financial Statement</p>	<p>a. Prepare a statement analysing the changes in:</p> <ul style="list-style-type: none"> • revenues and expenses in comparative profit and loss accounts • assets and liabilities in comparative balance sheets <p>b. Calculate and interpret various measures of business performance including failure prediction ratios.</p> <p>c. Use the ratios so calculated to make:</p> <ul style="list-style-type: none"> • critical comparisons between various businesses • inter-temporal comparison <p>d. Prepare reports suitable for presentation to:</p> <ul style="list-style-type: none"> • shareholders • employers (management) • financial institutions and regulatory bodies • other user groups <p>e. Analyse and explain the impact of inflation on financial statements analysis.</p> <p>f. Evaluate the limitations of financial statements.</p> <p>g. Distinguish between value added statement and profit and loss account.</p> <p>h. Evaluate the importance of value added statement.</p> <p>i. Prepare value added statement for group and non-group companies.</p>

LIST OF RECOMMENDED TEXT

1. ICAG Study Manual.
2. Lewis, R. *Advanced Financial Accounting*.
3. Glautier, M. W. E. *Accounting: Theory and Practice*, Pitman.
4. International Financial Reporting Standards.
5. Jennings, R. A. *Financial Accounting Manual 1 & 2*.
6. Gyasi, K. *Partnership and company Accounts*, Kwabotwe.
7. Topple, B. *Consolidated Accounts*.

PAPER 4.2: Advanced Audit and Professional Ethics

1. OBJECTIVES AND LEARNING OUTCOMES

The primary emphasis in the course will be on understanding the concepts of, and approaches to, audit, investigations and assurance services, and on developing skills to apply the underlying concepts and approaches to professional services. This course will review changes in the audit environment and new approaches to auditing and examine the concepts related to auditing in computerised environments, it also covers some of the assurance services with the objective of preparing candidates for issues they might encounter in the future, rather than for the types of services that are common now. At the end of the course, candidates should be able to:

- explain the significance of the fundamental accounting and auditing concepts and apply them in given situations;
- understand and apply the professional, ethical and legal requirements in the conduct of an audit;
- plan audits of various business entities;
- specify the procedure by which the progress of an audit can be controlled and recorded;
- identify objectives for particular audits, select and apply tests of control and substantive procedures to obtain appropriate audit evidence, evaluate the evidence, and draw reasonable conclusions;
- describe and specify quality control policies and procedures for the audit function within the audit firm and for individual engagements;
- evaluate and validate accounting treatments of items in the financial statements in accordance with relevant accounting and reporting standards;
- form opinion on financial statements, prepare auditors' report and prepare reports to management based on statutory audits; and
- conduct special audit engagements and investigations.

Knowledge of the syllabus in Part 2 Paper 2.6 Audit and Internal Review is assumed and topics from that syllabus may be examined.

2. FORM OF EXAMINATION

The examination will be a three-hour paper consisting of five (5) questions. Candidates are required to answer all the five questions.

4. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Concept of Auditing Legal and Professional Environment	10
Planning Audit and Assurance Engagements	10
Reporting on Audit and Assurance Engagements	10
Audit of Financial Statements	10
Performance of Audit	10
Auditing Under a Computerised Environment	10
Sundry and Specialized Audit	10
Completion Procedures	10
Forensic Audits Money Laundering	10
Professional Ethics	10
TOTAL	100

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>1. Concepts of Auditing</p>	<p>a. Analyse the concept of true and fair view. b. Apply the concept of materiality in the planning and conduct of an audit. c. Assess risk of error in financial statements. d. List and explain professional ethics that guide the conduct of an audit. e. Examine the correct use of the accounting concepts by the client in the preparation of financial statements. f. List and explain roles of audit committees and their impact on the auditor's work.</p>
<p>2. Legal and Professional Environment</p>	<p>a. Explain the Code of professional ethics under the following: (i) Integrity and objectivity (ii) Conflict of interest and independence (iii) Professional competence and due care (iv) Duty of confidentiality (v) Professional fees and pricing (vi) Changes in professional appointments (vii) provisions under the Companies Code b. Explain the Professional responsibility and liability under the following: (i) Considerations and reporting of breaches in laws and regulations (ii) Professional negligence and liability (iii) Fraud detection and expectation gap (iv) Quality control procedures and practice review c. Corporate accountability: (i) Corporate governance principles and practices (ii) Audit committee and good governance (iii) Internal audit and risk management</p>
<p>3. Planning Audit and Assurance Engagements</p>	<p>a. Identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk. b. Discuss the differences between the audit of a profit oriented entity and the audit of not-for-profit entity.</p>

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
3. Planning Audit and Assurance Engagements	<p>c. Explain why it is important to have a knowledge and understanding of the business when planning an engagement.</p> <p>d. Identify ways of gaining knowledge and understanding of a client's business.</p> <p>e. Identify the risks arising from error, fraud and non-compliance with law and regulations and assess their implications for the engagement.</p> <p>f. Identify the components of risk for a specified assurance engagement.</p> <p>g. Assess the impact of risk and materiality on the engagement plan, including the nature, timing and extent of assurance procedures, for a given organisation.</p> <p>h. Discuss the benefits and limitations of analytical procedures at the planning stage.</p> <p>i. Discuss the approach appropriate for an engagement which addresses:</p> <ul style="list-style-type: none"> • possible reliance on controls (including those within IT systems) • possible reliance on the work of internal audit or other experts • possible reliance on the work of another auditor • probable extent of tests of control and of substantive procedures, including analytical procedures • nature and extent of client-generated information
4. Reporting on Audit and Assurance Engagements	<p>a. Draw conclusions on the ability to report on audit engagement which is consistent with the results of the audit work.</p> <p>b. Explain the elements (both explicit and implicit) of the auditor's report issued in accordance with Auditing Standards on statutory requirements and recommend the nature of an audit opinion to be given in such a report.</p> <p>c. Draft suitable audit report (including any report to the management issued as part of the engagement) on the basis of given information, statements of facts, their potential effects, and recommendations for action relevant to the needs of the organisation being reported upon.</p>

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>4. Reporting on Audit and Assurance Engagements (Cont'd.)</p>	<p>d. Describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on.</p> <p>e. Evaluate, quantitatively and qualitatively (including use of analytical procedures), the results and conclusions obtained from assurance tests and procedures.</p> <p>g. Draw conclusions on the ability to report on assurance engagement which is consistent with the results of the assurance work.</p> <p>g. Draft suitable assurance report (including any report to the management issued as part of the engagement) on the basis of given information, statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.</p>
<p>5. Audit of Financial Statements</p>	<p>a. Explain and discuss Audit process under the following:</p> <ul style="list-style-type: none"> (i) Risk and materiality assessment procedures including fraud considerations. (ii) Evidence gathering and documentation including management representations, using the work of an expert. (iii) Overall review including subsequent events and going concern considerations. (iv) Impact of IT environment on audit process. <p>b. Reporting:</p> <ul style="list-style-type: none"> (i) Form and content of auditor's report for statutory and financial audits. (ii) Other information in documents containing audited financial statements. (iii) Discovery of facts subsequent to date of auditors' report. (iv) Communications with management and those charged with governance. <p>c. Group engagements:</p> <ul style="list-style-type: none"> (i) Risk assessment in complex group environment. (ii) Using the work of other auditors. (iii) Reporting on group financial statements.

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>5. Audit of Financial Statements (Cont'd.)</p>	<p>d. Quality control:</p> <ul style="list-style-type: none"> (i) Discuss the principles and purpose of quality control of assurance engagements. (ii) Demonstrate how the assurance function within an assurance firm can be monitored through procedures for review. (iii) Describe how quality can be monitored and controlled through procedures external to the audit firm. (iv) Identify the reasons for preparing and keeping documentation relating to an audit engagement.
<p>6. Performance of Audit</p>	<ul style="list-style-type: none"> a. Discuss management assertions and audit objectives. b. Outline and explain the procedures to obtain and evaluate evidence on the following: <ul style="list-style-type: none"> (i) Balance and transaction testing for financial statement components. (ii) Analytical procedures. (iii) Computer assisted audit techniques (CAATs). (iv) Audit sampling. c. Discuss the final evidential evaluation processes of: <ul style="list-style-type: none"> (i) Review for contingencies, commitments and subsequent events. (ii) Going concern considerations. (iii) Management representations. (iv) Review of financial statement presentation and disclosure. (v) Explain analytical review as a source of evidence: Figures and relationships in line with expectations. (vi) Comparison of figures: Monthly and Annual Trends.
<p>7. Auditing Under a Computerised Environment</p>	<ul style="list-style-type: none"> a. The Overall Computer Environment: <ul style="list-style-type: none"> (i) Distinguish and explain computerised systems vs. manual systems; problems and advantages of computer systems. (ii) Explain general controls: Need, the control environment; integrated systems.

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>7. Auditing Under a Computerised Environment (Cont'd.)</p>	<p>(iii) Describe general control: New systems/major changes.</p> <p>(iv) Explain security over programmes, data and hardware; disaster planning.</p> <p>(v) Outline and explain manual compliance tests to be performed thereon by auditors.</p> <p>b. Application Controls:</p> <p>(i) Discuss the areas in which controls are required: Input and output; changes to standing data.</p> <p>(ii) Discuss the specific controls in each of these areas for sales, purchases and inventory.</p> <p>(iii) Outline and explain the manual compliance tests to be performed thereon by auditors.</p> <p>c. Computer Assisted Audit Techniques:</p> <p>(i) Explain the process of auditing around and through the computer.</p> <p>(ii) Discuss how to use computer assisted audit technique (CAATs) to test systems: Dummy data/test data; Integrated test facilities; Repeat processing of client data.</p> <p>(iii) Discuss how to use CAATs to test client data and select samples: audit software.</p> <p>(iv) Explain the analytical procedures by computer programme.</p>
<p>8. Sundry and Specialized Audit</p>	<p>a. Discuss the statutory position regarding form and content of group financial statements.</p> <p>b. Discuss the responsibilities of the parent company auditor.</p> <p>c. Explain the relationships with subsidiary auditors.</p> <p>d. Discuss the nature of consultations with subsidiary auditors.</p> <p>e. Evaluate and assess the financial statements of a list company in accordance with Stock Exchange reporting requirement.</p> <p>f. Examine the implication of the following:</p> <ul style="list-style-type: none"> • Social and environmental audit • Systems development audit

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
8. Sundry and Specialized Audit <i>(Cont'd.)</i>	<ul style="list-style-type: none"> • Fraud in computerized audit • Auditing in relation to 'e' commerce <p>g. Prepare accountants report for inclusion in prospectus.</p> <p>h. Distinguish between forecasts and projections and prepare an appropriate report therein.</p>
9. Completion Procedures	<p>a. Explain how the auditor deals with the following:</p> <ul style="list-style-type: none"> (i) Contingencies and commitments: Auditor responsibilities and work required. (ii) Post balance sheet events: Auditor responsibilities and work required. (iii) Going-concern considerations. (iv) Management letter. (v) Presentation in the audit evidence processes. (vi) Financial statement assertions. (vii) The overall audit objective: True & fair view. (viii) Elements of auditors' report. (ix) Modified auditor's reports. (x) Prepare audit report which conforms to the requirements of the companies code and auditing standards.
10. Forensic Audits	<ul style="list-style-type: none"> a. Definitions of forensic accounting, forensic investigation and forensic audit. b. Applications of forensic auditing (e.g. fraud, negligence, insurance claims) and the role of the forensic auditor as an expert witness. c. Discuss the fundamental ethical principles to professional accountants engaged in forensic audit assignments. d. Discuss the investigative procedures and evidence appropriate in determining the loss in a given situation. e. Discuss the procedures for carrying out fraud investigation for a client. f. State the form and contents of investigation reports. g. Explain how to conduct investigations arising under the provisions of the Companies Code. h. Analyse the procedures for the conduct of tax investigations.

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>11. Money Laundering</p>	<ul style="list-style-type: none"> a. Definition of money laundering: b. Discuss the international efforts to combat money laundering. c. Explain the scope of criminal offences of money laundering. d. Discuss the protection of professional accountants from criminal and civil liability. e. Outline and discuss the need for ethical guidance in money laundering. f. Explain the accountants' obligations in the prevention and detection of money laundering. g. Discuss the importance of customer due diligence (CDD). h. Explain the recognition of potentially suspicious transactions and their impact on reporting duties. i. Explain the elements of an anti-money laundering programme.
<p>12. Professional Ethics</p>	<ul style="list-style-type: none"> a. State the role of ethical consideration by the auditor and their importance to the profession. b. Explain the differences between a rules based on ethical code and one based upon a set of principles. c. Explain how the principles of professional behaviour protect the public and fellow professionals. d. Identify the key features of the system of professional ethics adopted by IFAC and ICAG. e. Identify the fundamental principles underlying the IFAC and the ICAG code of ethics. f. Explain the importance of integrity and objectivity to professional accountants, identifying situations that may impair or threaten integrity and objectivity. g. Suggest courses of action to resolve ethical conflicts relating to integrity and objectivity. h. Respond appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience. i. Explain the importance of confidentiality and identify the sources of risks of accidental disclosure of information.

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>12. Professional Ethics (Cont'd.)</p>	<p>j. Identify steps to prevent the accidental disclosure of information.</p> <p>k. Identify situations in which confidential information may be disclosed.</p> <p>l. Define independence and explain why those undertaking an assurance engagement are required to be independent of their clients.</p> <p>m. Identify the following threats to the fundamental ethical principles and the independence of assurance providers:</p> <ul style="list-style-type: none"> • self-interest threat • self-review threat • management threat • advocacy threat • familiarity threat • intimidation threat <p>n. Identify safeguards to eliminate or reduce threats to the fundamental ethical principles and the independence of assurance providers.</p> <p>o. Suggest how a conflict of loyalty between the duty a professional accountant has to their employer and the duty to their profession could be resolved.</p>
<p>13. Typical Ethical Issues</p>	<p>a. Explain business controls under the following:</p> <ul style="list-style-type: none"> (i) Maintenance of confidence in the integrity of financial statements. (ii) Establishment of a basis for the achievement of business objectives. (iii) Compliance with laws, regulations and company policies. (iv) Review of existing policies and procedures. (v) Establishment of internal control processes. <p>b. Discuss the management of corporate funds and property under the following:</p> <ul style="list-style-type: none"> (i) Safeguarding corporate assets and resources

PAPER 4.2: Advanced Audit and Professional Ethics (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>13. Typical Ethical Issues (Cont'd.)</p>	<ul style="list-style-type: none"> (ii) Proper utilisation of company credit cards, cash, cheques, money orders. (iii) Use of vouchers, time sheets, invoices, and benefits claims to access company funds and property. c. Identify how to protect information and resources: <ul style="list-style-type: none"> (i) Computers, software, and data from damage, destruction, viruses, alteration, theft, fraudulent manipulation, and unauthorised access, disclosure, or misuse. (ii) Computer systems audit. (iii) Use of passwords. (iv) Back-up plans and procedures. (v) Access to internet in organisations. d. Outline the ethical issues in financial reporting under the following: <ul style="list-style-type: none"> (i) Importance of accurate, complete and reliable business records. Improper influence of internal or external auditors. (ii) Fraudulent reporting. (iii) Prevention of industrial espionage and sabotage. e. Explain the role of ethics issues in political environment under the following: <ul style="list-style-type: none"> (i) Contribution of corporate funds to political parties. (ii) Volunteer work for political campaigns. (iii) Using corporate time, funds, resources and assets for political activities. f. Discuss the ethical responsibilities of accountants in business under the following. <ul style="list-style-type: none"> (i) Fraud. (ii) Money laundering. (iii) Theft. (iv) Impersonification. (v) Over-exaggeration/suppression of information/values. (vi) Unethical behaviour to individuals, accountancy profession and the public.

LIST OF RECOMMENDED TEXT:

1. ICAG Study Manual.
2. Woolf, E. *Auditing Today*, Prentice Hall.
3. International Standards on Auditing.

PAPER 4.3: Corporate Strategy and Governance

1. OBJECTIVES AND LEARNING OUTCOMES

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

- Explain strategy and the process of strategy formulation.
- Appreciate concepts and principles in contemporary thinking on strategic management.
- Determine the general and unique characteristics, opportunities and challenges facing a business through its life-cycle.
- Determine and recommend appropriate strategies to support the various phases of the business life-cycle.
- Evaluate the effect of selected management strategies on organizational performance.
- Appreciate the global competitive business environment and the relevant global strategies for business success.
- Analyse the role of leaders in developing and implementing effective strategy.
- Develop business plans and proposals and advise on issues relating to business and organisation plans; the risk involved and how those risks should be managed.
- Explain the importance of good corporate governance and the evolution of best practice.
- Advise on and develop appropriate remuneration and reward packages for staff, executives and directors.
- Identify major issues in corporate governance and their significance.
- Apply concepts to business case scenarios through the use of a major case study.
- Explain the relationship between ethics and corporate governance.
- Assess and advise on required corporate governance mechanisms.

2. FORM OF EXAMINATION

The examination will be a three-hour paper consisting of 3 sections: Section A will consist of one compulsory question (case study) which will cover 30 marks. Section B will consist of three questions on corporate governance out of which candidates will be required to answer any two for 30 marks. Section C will consist of three questions out of which candidates will be required to answer any two for 40 marks.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Nature of Strategy	5
Environmental Analysis	10
Strategy Analysis and Choice	15
Functional Strategies	20
Management Issues	10
Strategy Evaluation and Control	15
Change Management	10
Corporate Governance: Overview of Corporate Governance and Management Code of Best Practice in Corporate Governance Directors and Officers The Role of Internal Control in Corporate Governance Legislation Relating to Fraud	15
TOTAL	100

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Nature of Strategy</p>	<ul style="list-style-type: none"> a. Define and explain strategy and management. b. Describe the phases of the strategic management process. c. Explain the importance of strategic management. d. Explain key concepts related to strategic management (e.g. mission, vision, core values, goals, objectives, strategy and policies). e. Explain the stages of corporate development. f. Explain the role of board of directors in strategic management.
<p>Environmental Analysis</p>	<ul style="list-style-type: none"> a. Explain external and internal environment of business. b. Describe external and external environmental analysis. c. Describe how the social, legal, economic, political and technological influence an organisation. d. Describe the relationships among environmental analysis, competitive, analysis and internal organisation. e. Describe the process of industry and competitive analysis with reference to Porter's five forces model. f. Examine sustainable competitive advantage. g. Evaluate critical success factors. h. Apply concepts and principles in external environmental analysis to case studies. i. Explain resource based theory and its implications for strategy formulation. j. Describe value chain for an organisation and its industry. k. Apply concepts and principles in internal environmental analysis to case studies. l. Describe the basic steps in SWOT analysis. m. State reasons for the rising internationalisation of business. n. Evaluate the impact of international environmental forces on business operations. o. Outline the concept of the balance scorecard and its usefulness in strategy.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Strategy Analysis and Choice	<ol style="list-style-type: none"> a. Explain the purpose of the organisation in respect of stakeholder expectation. b. Explain generic strategies. c. Explain alternative corporate strategies such as stable growth, abnormal growth, harvesting, defensive, combinations. d. Distinguish between concentric and conglomerate diversification. e. Evaluate corporate strategy using Boston Consulting Group (BCG) Matrix, Planning Grid, Profit Impact of Market Strategy (PIMS) and life cycle approaches. f. Identify and develop direction option for an organisation including the use of answers following product/market matrix. g. Apply concepts and principles in strategy analysis and choice to case studies.
Functional Strategies	<p>Finance</p> <ul style="list-style-type: none"> • Develop policies for raising short-term debt, long-term debt and equity. • Prepare lease versus buy analysis. • Determine an appropriate dividend payout. • Analyse proposals for mergers and acquisitions. • Explain how to evaluate the attractiveness of debt versus stock as a source of capital to implement strategies. • Explain how and why management should conduct a post-investment audit of a capital project. • Calculate and categorise major financial ratios and understand what they can tell about a company. • Use trend analysis and common-size analysis to assess the performance of organisations. • Explain the roles that venture capital and initial public offering (IPO) play in financing early stages of a company's growth. • Calculate the impact on earnings and on market value of companies involved in mergers. • Describe the methods used by companies to manage exchange rate risk.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Functional Strategies (Cont'd.)</p>	<p>Human Resource</p> <ul style="list-style-type: none"> • Explain the strategic decision process and relate it to human resource decisions. • Explain the critical link between strategic management and strategic human resource management. • Identify and explain the external and internal factors that affect human resource plan. • Describe the strategic choices regarding job analysis that are available to an organisation. • Explain strategies for effective recruitment and selection. • Explain how an organisation should select staff to support implementation of its strategy. • Discuss some of the major strategic choices regarding the performance appraisals that are available to organisation. • Discuss the choices managers face when deciding to restructure human resources. <p>Marketing</p> <ul style="list-style-type: none"> • Explain the importance of positioning and the strategies used to achieve it. • Explain how firms seek competitive advantage in global markets. • Explain market segmentation and product positioning as a strategy implementation tools. • Explain the importance of a marketing plan and the need to plan marketing strategies. • Analyse a company's product mix. • Discuss the development of global brands. • Discuss the factors that influence pricing decisions. • Identify, explain and apply pricing strategies. • Explain the major consideration in designing marketing channels and how channel co-ordination is managed. • Explain the importance of integrated marketing communications. • Relate push and pull strategies to trade and consumer promotions.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Functional Strategies (Cont'd.)	<ul style="list-style-type: none"> • Explain the role and strategic objectives of operations management. • Discuss how business process co-engineering fit into operations improvement. • Discuss the implantation issues in Total Quality Management initiatives. • Explain why organisations should have operations strategy. <p>Explain the international issues faced by organisations in formulating their operations strategies.</p>
Management Issues	<ol style="list-style-type: none"> a. Explain the issues that management confront when attempting to implement new strategies or improve the implementation of current strategies. b. Explain type of organisational structure. a. Explain the relationship between strategy and organisational structure. b. Distinguish between centralisation and decentralisation. c. Explain the effect of leadership on strategy implementation. d. Discuss the impact of motivational systems on strategy implementation e. Apply principle sand concepts in strategy implementation to case studies. h. Define organisational culture i. Explain the various types of organisational culture j. Outline and explain the determinants of organisational culture. k. Explain the nature and importance of organisational culture. l. Discuss the relationship between organisational and international culture. <ol style="list-style-type: none"> i. Discuss how an organisation can sustain its culture. j. Identify and explain the problems associated with organisational culture.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Strategy Evaluation and Control</p>	<ul style="list-style-type: none"> a. Explain the process of strategy evaluation. b. Evaluate corporate strategy using Rumelt's criteria and Mickinsey's 7S Framework. c. Explain how qualitative factors influence corporate strategy. d. Examine the role of board of directors in evaluating corporate strategy. e. Differentiate between financial an non-financial performance measures. f. Examine the effectiveness of financial and non-financial performance measures.
<p>Change Management</p>	<p>Apply strategy evaluation and control to case studies:</p> <ul style="list-style-type: none"> a. Define organisational change. b. Assess the motivation to change. c. Explain the process of organisational development. d. Discuss how and why resistance to change develops within organisations. e. Evaluate the various methods of introducing change. f. Evaluate change process within an organisation.
<p>Overview of Corporate Governance</p>	<ul style="list-style-type: none"> a. Discuss the concept and scope of corporate governance. b. Explain global focus on corporate governance. c. Describe the role of regulators in corporate governance d. Describe the role of government in corporate governance. e. Discuss the major participants in ensuring good corporate governance. f. Explain the principles of 'effective' corporate governance. g. Explain potential conflict of interest – agency theory h. Analyse the impact of corporate governance on agency costs. i. Explain corporate governance in not-for-profit organisations, the public sector and SMEs.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Governance and Management	<ul style="list-style-type: none"> a. State the reasons why governance is needed and identify the role that governance plays in the management of a business. b. Identify the key stakeholders and their governance needs for a particular business. c. Identify and show the distinction between the roles and responsibilities of those charged with governance and those charged with management. d. Specify how differences in national and business cultures affect the governance of businesses. e. Explain the role of Board of Directors and Corporate Supervision: Roles of Chairman, Chief Executive Officer, Executive and Non- Executive Directors and Company Secretary. f. Identify the roles and responsibilities of the members of the executive board, any supervisory board, the audit committee and others charged with governance, internal audit and external audit. g. Identify the roles and responsibilities of those responsible within a business for internal audit and for the external audit relationship. h. Specify the policies and procedures a business should implement in order to promote an ethical culture. i. Explain the effect of good corporate governance on strategic management.
Code of Best Practice in Corporate Governance	<ul style="list-style-type: none"> a. Why is good corporate governance important? b. Discuss the code of best practices in corporate governance; c. Explain the concept of Board independence under corporate governance. d. Explain the independent board committees. e. Discuss the role of an accountant in good corporate governance.

PAPER 4.3: Corporate Strategy and Governance (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
Directors and Officers	<ol style="list-style-type: none"> a. Outline and explain the duties and responsibilities of directors. b. Discuss and explain how to align director and shareholder interests. c. Describe the reporting issues by directors and officers in managing a company. d. Explain corporate social responsibility. e. Outline ethical conduct and company directors.
The Role of Internal Control in Corporate Governance	<ol style="list-style-type: none"> a. Outline the need for effective Internal Audit. b. Outline the need for effective Audit Committee. c. Outline the Objectives and Role of the Internal Control Framework. d. Identify the main objectives of the internal control process. e. Outline and explain the major elements of an internal control process under the following: <ol style="list-style-type: none"> (i) Management oversight and the control culture. (ii) Risk recognition and assessment. (iii) Control activities and segregation of duties. (iv) Information and communication. (v) Monitoring activities and correcting deficiencies.
Legislation Relating to Fraud	<ol style="list-style-type: none"> a. Examine the following: <ul style="list-style-type: none"> • Criminal Code, 1960 (Act 29) Special offences. • Offences involving dishonesty, stealing, fraudulent, breach of trust, false pretences, other serious frauds. • Financial Administration Act 2003 (Act 654) Liability and offences.

RECOMMENDED/REFERENCE TEXTS

1. ICAG Study Text
2. Hunger, J.D and Wheelen, T.L. *Strategic Management and Business Policy*, Pearson Education.
3. Johnson, D. *Exploring Corporate Strategy*, Prentice Hall.
4. Lynch, R. *Corporate Strategy*, Financial Times.
5. Mallin, C.E. *Corporate Governance*, Oxford University Press.
6. Pearce II, J.A and Robinson, Jr. R.B. *Strategic Management*. Irwin.
7. Quinne, J.B., Mintzberg, H. and James, R.M (1988) *The Strategy Process: Contexts and Cases*. New Jersey.
8. Thompspon, J.L. *Strategic Management: Awareness and Change*. Thomson Learning.
9. Solomon J. *Corporate Governance and Accountability*.

PAPER 4.4: Advanced Tax Planning and Fiscal Policy

1. OBJECTIVES AND LEARNING OUTCOMES

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

- demonstrate in-depth knowledge and understanding of the concepts and principles of taxation;
- interpret and apply laws and procedures relating to direct and indirect taxes in Ghana;
- appreciate the importance of taxation in personal and corporate financial planning and decision making. Ability to identify and avail to clients of the opportunities for minimising potential tax liability;
- solve practical problems which draw on the interaction of different taxes as well as case law;
- understand and deal with international taxation issues;
- develop proposals and advise on taxation issues relating to business start-ups, corporate business transformations; individuals and bodies of persons;
- adopt best practices and professional standards when dealing with clients.

2. FORMS OF EXAMINATION

The examination is a three-hour paper consisting of five (5) questions. All questions are compulsory. Candidates will be provided with tables of rates and allowances where relevant.

3. SYLLABUS WEIGHTING GRID

This grid shows the relative weightings of topics within this subject and should guide the relative study time spent on each. The marks available in the assessment will equate to the weightings below. However, there might be slight variations in some instances as they serve as a guide only.

SYLLABUS COVERAGE	WEIGHTING (%)
Taxes on natural resources including petroleum and mineral resources	
Capital gains tax	10
Individuals and non-resident individuals investing and/or deriving income from Ghana	10
Value added tax and Customs, Excise and Preventive Service (CEPS) taxes	15
Corporate taxation including tax of income from initial activities and double taxation relief	25
Fiscal policy	10
Tax planning and strategy	10
TOTAL	100

PAPER 4.4: Advanced Tax Planning and Fiscal Policy (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Taxes on Natural Resources Including Petroleum and Mineral Resources</p>	<ol style="list-style-type: none"> a. Explain the provisions in the administration of mining and minerals (royalties) regulations. b. Computation of royalty payable. c. Explain imposition of tax and calculate adjusted profits. d. Distinguish between deductions allowed and deductions not allowed. e. Describe the treatment of losses and the concept of adjusted profit. f. Compute capital allowances. g. Explain tax offsets and the additional tax in relation to Petroleum Exploration and Production and compute chargeable tax. h. Understand and discuss various revenues available to Government from Petroleum Exploration and Production. i. Explain the process for preparing Memorandum of Understanding (MOU) as it applies to petroleum prospecting companies.
<p>Capital Gains Tax</p>	<ol style="list-style-type: none"> a. Explain the provisions in administration of the capital gains tax. b. Apply the various approaches to the determination of cost base in computing capital gains tax. c. Explain the rationale underlying transactions exempted from capital gains tax. d. Explain disposal and acquisition of assets in relation to: <ul style="list-style-type: none"> • Hire purchase transaction • Part disposal • Connected persons • Consideration aspect • Death • Asset lost or destroyed • Bargains comprising two or more transactions e. Explain capital gains tax in relation to stocks and shares. f. Identify tax planning schemes available under capital gains tax.

PAPER 4.4: Advanced Tax Planning and Fiscal Policy (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Individuals and Non-resident Individuals Investing and/or Deriving Income from Ghana</p>	<p>a. Prepare personal and family tax planning schemes including provisions relating to tax clearance certificates, estates, inheritance, etc.</p> <p>b. List and explain:</p> <ul style="list-style-type: none"> • Rules for determination of liability and method of payment for non-resident, individuals deriving income from Ghana. • Overseas assets of non-residents to income tax and capital gains. <p>c. Evaluate the tax implications for investing in Ghana.</p> <p>d. Examine taxation of branch profits of foreign companies.</p>
<p>Value Added Tax and Customs, Excise and Preventive Service (CEPS) Taxes</p>	<p>a. Explain the broad principles of VAT.</p> <p>b. State the criteria for compulsory registration.</p> <p>g. Identify the goods which are subject to value added tax and those which are not subject to value added tax.</p> <p>h. Differentiate between exempt and zero rated goods.</p> <p>i. Describe the method of calculating VAT.</p> <p>j. List and explain the items that are exempted from both import duty and VAT.</p> <p>k. State and explain the procedures for obtaining exemptions.</p> <p>l. Indicate the types of records a taxpayer is required to keep.</p> <p>m. State the time frame for submission of returns.</p> <p>n. Explain the circumstances under which penalties can be imposed.</p> <p>o. State and explain all penalties and sanctions which can be imposed.</p> <p>p. List those who are required to register under the law and indicate whether it is possible to register voluntarily.</p> <p>q. State the processes for registration and deregistration.</p> <p>r. Explain Communication Service Tax and the Flat Rate Tax (VAT Flat Rate Scheme).</p> <p>s. Describe how 'value' for customs purposes is derived.</p> <p>t. Computation of customs and excise duties.</p> <p>u. Computation of Import VAT and NHIL on imports.</p>

PAPER 4.4: Advanced Tax Planning and Fiscal Policy (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Corporate Taxation Including Tax of Income from Initial Activities and Double Taxation Relief</p>	<p>a. Basic Principles of Tax Planning:</p> <ul style="list-style-type: none"> • Entity • Time period • Jurisdiction and • Character variables. <p>b. Other factors affecting tax planning: e.g. legislative and judicial restrictions.</p> <p>a. Compute tax liabilities of various companies (including insurance, transporters, etc.).</p> <p>b. Design a scheme of tax planning for direct and indirect tax savings.</p> <p>c. Examine and review tax avoidance schemes.</p> <p>d. Describe distributions by companies and rules relating to charges on income paid/received with/without tax credits.</p> <p>e. Explain the following:</p> <ul style="list-style-type: none"> • Double taxation relief and the transfer-pricing concept • Mergers, acquisitions and takeover bids • Deferred taxation • The method of calculating the Tax Credit Relief • Permanent Establishment under Act 592 vis-à-vis under Double Taxation Agreements <p>f. Discuss the pros and cons of Double Taxation Agreements.</p>
<p>Fiscal Policy</p>	<p>a. Examine the macroeconomic framework for national income analysis – the Keynesian model and stabilisation policies.</p> <p>b. Explain the use and application of taxation as a tool of fiscal policy to stabilise the economy.</p> <p>c. Analyse public debt as an alternative to taxation – its causes and consequences.</p> <p>d. Examine intergovernmental fiscal relations and Ghana's experience with revenue allocation.</p> <p>e. Evaluate the theory and practice of grants in relation to local governments.</p>

PAPER 4.4: Advanced Tax Planning and Fiscal Policy (Cont'd.)

MAIN TOPIC	SYLLABUS CONTENT
<p>Tax Planning and Strategy</p>	<p>a. Basic principles of Tax Planning:</p> <ul style="list-style-type: none"> • Entity • Time period • Jurisdiction and • Character variables. <p>b. Other factors affecting tax planning: e.g. legislative and judicial restrictions</p> <p>c. Basic tax consequences of entity choice i.e. corporate, partnership and single proprietorship formations, etc.</p> <p>d. Tax strategies for new businesses in relation to organisational forms.</p> <p>e. Employee compensation strategies.</p> <p>f. Tax incentives for various business sectors and their influence in business set up options.</p> <p>g. Approaches to availing a business of tax incentives.</p> <p>h. Incentives available to Free Zones Companies, etc.</p>

RECOMMENDED/REFERENCE TEXTS

1. ICAG Manual on Taxation.
2. Adjabeng Sefa. *Notes and exercises on Ghana Income Tax.*
3. Ali-Nakyea, A. *Taxation in Ghana, Principles, Practice and Planning, Black Mask Ltd.*
4. Akakpo, V.K.A. *Principles, Concepts and Practice of Taxation.*
5. Dua Agyeman, E. *Income Tax, Gift Tax and Capital. Gains Tax*, EDA Publications.
6. Kunbuor, B. *Ghana Tax Law Primer.*

RELEVANT LEGISLATION

CEPS (Management) Law 1993 (PNDCL 330), with Amendments.
 Internal Revenue Act 2000 (Act 592), with Amendments.
 Internal Revenue Regulations, 2001 (I.I. 1675), with Amendments.
 Minerals and Mining Act, 2006 (Act 703).
 Mineral (Royalties) Regulations, 1987 (L1 1349).
 VAT Act 1998 (Act 546), with Amendments.
 VAT Regulation Act, 1998 (L1 1646), with Amendments.

PAPER 4.4: Advanced Tax Planning and Fiscal Policy *(Cont'd.)*

National Health Insurance Act, 2003 (Act 650).

Communication Service Tax Act.

Ghana Investment Promotion Centre Act, 1994 (Act 478).

Revenue Agencies Governing Board Act, 1998 (Act 558).

Free Zone Act, 1995 (Act 504).

Petroleum Income Tax Law, 1987 (PNDCL 188).

**THE INSTITUTE OF CHARTERED ACCOUNTANTS - GHANA
REVIEW OF QUALIFYING EXAMINATIONS SYLLABUS - MAY 2010**

1. Holders of the following qualifications (awarded by recognised institutions) are exempted from Parts 1 and 2 of the qualifying examinations:
 - University Degree in Accountancy
 - HND Accounting Option
 - GAT/ATSWA

2. Holders of any Diploma certificate from recognized tertiary institutions are exempted from Part 1 of the qualifying examinations.
Diploma in Business Studies [DBS] awarded by Technical Examinations Division of Ghana Education Service does not qualify for this exemption

3. Holders of university degrees (other than those specified in (1) above) and comparable professional qualifications recognized by the Institute would be granted exemption on subject by subject basis on the merit of subjects passed as indicated on the academic transcript.

4. Holders of any second degree from recognized Universities, irrespective of the programme pursued, are exempted from Part 1 of the qualifying examinations. They therefore start writing the examination at part 2

5. Holders of masters degree (accounting option) awarded by recognized universities would be granted exemption from Parts 1 and 2. They may also be exempted from specific subjects in part 3 based on subjects passed in the masters programme, as indicated on the academic transcript.

6. Exemptions would not be extended to any paper in Part 4. Part 4 papers are to be written and passed by all students.

PROPOSED TRANSITIONAL ARRANGEMENTS

Old Scheme	New Scheme
Part 1	Part 1
1.1 Accounting Foundations	1.1 Financial Accounting Fundamentals
1.2 Business Management	1.2 Business Management
1.3 Economics	1.3 Economics
1.4 Business Law	1.4 MIS & Business Systems
Part 2	Part 2
2.1 Financial Accounting Practice	2.1 Quantitative Tools in Management
2.2 Management Accounting & Control	2.2 Audit & Internal Review
2.3 Company Law	2.3 Business And Corporate Law
2.4 Taxation	2.4 Principle And Practice of Taxation
2.5 MIS & Business Systems	Part3
2.6 Audit & Internal Review	3.1 Financial Reporting
2.7 Strategic Management	3.2 Public Sector Accounting
	3.3 Cost & Management Accounting
	3.4 Financial Management
Part 3	Part 4
3.1 Corporate Reporting Strategy	4.1 Advanced Financial Reporting
3.2 Assurance And Audit Practice	4.2 Advanced Auditing and Professional Ethics
3.3 Financial Management Strategy	4.3 Corporate Strategy and Governance
3.4 Advanced Tax Planning And Fiscal Policy	4.4 Advanced Tax Planning and Fiscal Policy

Part 1

A student who has written and passed all papers in Part 1 of the old scheme would be exempted from the entire Part 1 of the new scheme. This means that he/she would move to part 2 of the new scheme.

Part 2 and 3

- i. A pass in 2.1: Financial Accounting Practice earns a candidate a pass in 3.1 Financial Reporting
- ii. A pass in 2.2: Management Accounting & Control earns a candidate passes in 2.1: Quantitative Techniques and 3.3: Cost and Management Accounting. This is because any candidate who has passed 2.2 in the old scheme would have passed Costing, Management Accounting and Quantitative Techniques
- iii. A pass in 2.3: Company and Partnership Law earns a candidate 2.3 Business & Corporate Law in the scheme.
- iv. A pass in 2.6: Audit & Internal Review earns a candidate 2.2 Audit & Internal Review in the new syllabus
- v. A pass in 2.7: Strategic Management earns a candidate 4.3: Business Strategy & Governance in the new syllabus

Thus, a candidate who has completed Parts 1 and 2 of the old syllabus would be exempted from Parts 1, 2 and 3. 1Financial Reporting , 3.3: Cost & Management Accounting . He would have to write and pass 3.2: Public Sector Accounts and 3.4 : Financial Management to complete part 3. He would then move to part 4 to write 4.1: Advanced Financial Reporting, 4.2: Advanced Auditing and Professional Ethics and 4.4: Business Strategy and Governance to complete the qualifying examinations.

Part 4

- I. A candidate who has a referral in 3.1: Corporate Reporting Strategy would have to write 4.1: Advanced Financial Reporting in the new scheme to complete the exams.
- II. A candidate who has a referral in 3.2: Assurance & Audit Practice would have to write and pass 4.2 Advanced Auditing & Professional Ethics to complete the exams.
- III. A candidate who has a referral in 3.3: Financial Management Strategy would have to write and pass 3.4. Financial Management (New Scheme) to complete the qualifying exams.
- IV. A candidate who has a referral in 3.4 Advanced Tax Planning and Fiscal Policy would have to write and pass 4.4: Advanced Tax Planning and Fiscal Policy (new Scheme) to complete the qualifying exams.

- V. A candidate who has attempted Part 3(old Scheme) but could neither pass nor obtain a referral would have to write and pass 3.4 Financial Management (New Scheme), 4.1 Advanced Financial Reporting, 4.2 Advanced Auditing & Professional Ethics, 4.4 Advanced Tax Planning and Fiscal Policy (new Scheme) to complete the qualifying exams.

TRANSITIONAL ARRANGEMENTS FOR FULLY PASSED PART

Those Passed in	Are Exempted From	Will write and Pass
PART 1	1.1 Financial Accounting Fundamentals 1.2 Business Management 1.3 Economics 1.4 MIS & Business Systems	Proceed to Part 2 through to Part 4
PART 2	2.1 Quantitative Techniques 2.2 Audit and Internal Review 2.3 Business and Corporate Law 2.4 Principles and Practice of Taxation 3.1 Financial Reporting 3.3 Cost and Management Accounting 4.3 Corporate Strategy and Governance	3.2 Public Sector Accounting 3.4 Financial Management To complete part 3 and then proceed to part four to write papers 4.1 Advanced Financial Reporting 4.2 Advanced Auditing and Professional Ethics 4.4 Advanced Taxation and Fiscal Policies to complete Part 4

**TRANSITIONAL ARRANGEMENTS FOR PARTLY PASSED PART
Part 1**

OLD SCHEME	NEW SCHEME	NEW SCHEME
Those Passed in	Are Exempted from	Will Write and pass
1.1 Accounting Foundations	1.1: Financial Accounting Fundamentals	1.2 Business Management 1.3 Economics 1.4 MIS & Business Systems And then proceed to Part 2
1.2 Business Management	1.2 Business Management	1.1 Financial Accounting Fundamentals 1.3 Economics 1.4 MIS & Business Systems And then proceed to Part 2
1.3 Economics	1.3 Economics	1.1 Financial Accounting Fundamentals 1.2 Business Management 1.4 MIS & Business Systems
1.4 Business Law	No Exemption	All papers in Part 1 And then proceed to part 2

Part 2

OLD SCHEME	NEW SCHEME	NEW SCHEME
Those passed in	Are exempted from	Will write and pass
2.1 Financial Accounting Practice	3.1 Financial Reporting	All Part 2 subjects before proceeding to part 3.
2.2 Management Accounting & Control	2.1 Quantitative Tools in Business 3.3 Cost and Management Accounting	2.2 Audit and Internal Review 2.3 Business and Corporate Law 2.4 Principles and Practice of Taxation To complete Part 2 before proceeding to Part 3.
2.3 Company and Partnership	2.3 Business and Corporate Law	2.1 Quantitative Tools in Business 2.2 Audit and Internal Review 2.4 Principles and Practice of Taxation To complete part 2 before proceeding to Part 3
2.4 Taxation	2.4 Principles and Practice of Taxation	2.1 Quantitative Techniques 2.2 Audit and Internal Review 2.3 Business and Corporate Law To complete part 2 before proceeding to Part 3
2.5 MIS & Business Systems	1.4 MIS & Business Systems	All Part 2 subjects before proceeding to part 3.
2.6 Audit & Internal Review	2.2 Audit and Internal Review	2.1 Quantitative Techniques

<p>2.6 Audit & Internal Review (<i>cont'd</i>)</p>	<p>2.2 Audit and Internal Review (<i>cont'd</i>)</p>	<p>2.3 Business and Corporate Law 2.4 Principles and Practice of Taxation To complete part 2 before proceeding to Part 3</p>
<p>2.7 Strategic</p>	<p>4.3 Corporate Strategy Management and Governance</p>	<p>All Part 2 subjects before proceeding to part 3.</p>

Part 3

Referred In	Are Exempted From	Will Write and Pass
3.1 Corporate Reporting Strategy	4.2 Advanced Auditing And Professional Ethics 4.3 Corporate Strategy And Governance 4.4 Advanced Tax Planning and Fiscal Policy	4.1 Advanced Financial Reporting
3.2 Assurance and Audit Practice	4.1 Advanced Financial Reporting 4.3 Corporate Strategy And Governance 4.4 Advanced Tax Planning and Fiscal Policy	4.2 Advanced Auditing and Professional Ethics
3.3 Financial Management Strategy	4.1 Advanced Financial Reporting 4.2 Advanced Auditing And Professional Ethics 4.3 Corporate Strategy And Governance 4.4 Advanced Tax Planning and Fiscal Policy	3.3 Financial Management
4.4 Advanced Tax Planning and Fiscal Policy	4.1 Advanced Financial Reporting 4.2 Advanced Auditing And Professional Ethics 4.3 Corporate Strategy And Governance	4.4 Advanced Tax Planning and Fiscal Policy