

ACA Syllabus and Technical Knowledge Grids

Advanced Level

FOR EXAMS IN 2025

Contents

ACA OVERVIEW	3
ACA COMPONENTS	5
Skills progression through the ACA exams	9
ACA Syllabus	13
ADVANCED LEVEL	15
Corporate Reporting	16
Strategic Business Management	27
Case Study	40
TECHNICAL KNOWLEDGE	47
Assurance and Audit	48
Business and Finance	50
Ethics Codes and Standards	55
Financial Reporting - IFRS	56
Taxation	58

ACA overview

The ICAEW chartered accountancy qualification, the ACA, is one of the most advanced learning and professional development programmes available. Its integrated components provide an in-depth understanding across accountancy, finance and business. Combined, they help build the technical knowledge, professional skills and practical experience needed to become an ICAEW chartered accountant.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work.

The four components are:



ICAEW constantly reviews the content of the ACA qualification to reflect real life business challenges. Today's most urgent business challenges range from sustainability, to rapid changes in technology and the role of ethics in the profession. We work closely with employers, tuition providers, academics and examiners to ensure that the ACA equips the chartered accountants of the future with the skills and knowledge they need to meet these challenges and to be successful.

THE ACA QUALIFICATION AND SUSTAINABILITY

Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding these and other emerging sustainability-related implications, integrating them into financial management and business planning. ICAEW has been at the forefront of this movement over the past decade and has adapted the ACA qualification to reflect that. We see its role as not simply integrating knowledge and understanding the broader implications of environmental, social and governance issues into organisations, but also seeding this thinking into the mindset of our members.

Our syllabus and ethical and professional development framework contribute towards creating ICAEW chartered accountants who recognise that sustainability is at the core of what they do and are capable of actively using their business skills to analyse how to make the new sustainable economy work for their business.

Despite some unfamiliar terminology associated with sustainability issues, there is much that is closely related to the skills and experience of ICAEW chartered accountants; for example, the identification and management of risks, corporate governance, compliance with laws and regulations, design and

operation of management control systems, measurement of liabilities and impaired assets, information reporting and assurance, financial instruments, and new forms of taxation. Where the technical issues extend beyond an accountant's reach, working with other experts is already recognised as good practice.

THE ACA QUALIFICATION AND TECHNOLOGY

Changes in technology have automated many routine aspects of accountancy. But with changes in technology also come complexity and risk. Accountants need to adapt and develop new skills to manage these changes.

While there are many new technology capabilities that have broad application across the business and consumer environment, seven trends have the greatest potential to transform the accountancy profession: **A**rtificial intelligence, **A**utomation, **B**lockchain, **C**yber security, **C**loud computing, and **D**ata and **D**igital Transformation (ABCD of technology).

These and other innovations are likely to have a significant impact on the way that accountants access information, transact and manage business finances. Technology tools can provide information more quickly and often more accurately than humans, but they cannot replicate human intelligence and quality decision making, or effectively communicate the output of analysis. Therefore, chartered accountants hold key roles such as validating the source of the data, interpreting and analysing the outputs, and ensuring the tools support effective management of the organisation.

As routine and compliance work reduces, there is greater focus on the development of skills which equip professionals to work with the outputs of automated processes, with other specialists, and in a changing world.

We believe that skills such as analysis, interpretation, professional scepticism, communication, collaboration, adaptability, resilience, and commerciality are essential for tomorrow's business leaders; these are embedded throughout the ACA exams and professional development framework.

THE ACA QUALIFICATION AND ETHICS

Culture and values are central to long-term success. How a business adopts an ethical approach towards its staff, shareholders, customers and regulators, as well as within its own operations, has a bigger impact than any performance measure or operational improvement.

Demonstrating a clear commitment to ethical behaviour is one of the main drivers of better performance; it delivers an advantage when recruiting, it adds value to a brand, and it instils trust and confidence in partners, suppliers and others that the organisation is well run and resilient.

Achieving that is not a matter of simple knowledge. Few ethical challenges will have simple right and wrong responses. They require technical understanding, rigorous appraisal, application of professional scepticism and skilful handling. Accountants must have the necessary skills to apply professional judgement in a given situation, taking into account what has been learned as an ACA student about their ethical responsibilities as a chartered accountant.

There will be unique ethical challenges throughout any chartered accountant's process of learning and career. They serve a variety of masters: senior management, external stakeholders, regulators; and above all the public interest responsibility of their profession. Because of the rigorous and effective training (and continued professional development) chartered accountants can speak up and take a lead.

None of this can happen without one critical element: professionalism. That goes beyond merely knowing the Code of Ethics: it means embodying the right behaviours and having the ability and willingness to push back against those who might compromise the integrity of the business.

That confidence comes from a qualification that prioritises not only technical knowledge of the ethical framework but also challenges accountants with scenarios that accurately reflect the ethical dilemmas a chartered accountant may face in business.

ACA components

PROFESSIONAL DEVELOPMENT



ICAEW chartered accountants are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different situations that they encounter throughout their career. The ACA qualification improves students' ability and performance in seven key areas:

- Adding value - add value to the organisation, team or role in order to achieve objectives.
- Communication - communicate effectively at all levels, using oral, written and presentational skills to achieve positive outcomes.
- Decision making - gather, interpret and evaluate data to make effective decisions.
- Ethics and professionalism - behave ethically and sustainably while respecting others to uphold the values of the organisation and the accountancy profession.
- Problem solving - analyse a problem, generate options and make recommendations to arrive at appropriate solutions.
- Teamwork - work collaboratively as a member or leader of a team to achieve shared goals.
- Technical competence - seek, learn and use technology and technical information to support the achievement of organisation or team goals.

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is more than just knowing the rules around integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. It's about identifying ethical dilemmas, understanding the implications, making judgements and behaving appropriately as well as using professional scepticism to build business trust. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities to make suitable decisions. We embed ethics into the ACA and develop students' ethical capabilities in three ways:

1. **ICAEW Ethics Learning Programme** – this online programme gives students a fundamental underpinning in ethics. It ensures knowledge of the ICAEW Code of Ethics, its fundamental principles and the ability to apply safeguards to ethical threats. It encourages questioning and engaging ethical thinking in a wide range of applications.
2. **Integration of ethical issues into all 15 ACA exams** – students are assessed on their understanding of, and reaction to, ethical dilemmas within the context of the subject matter of each module. Progression is made from identification of issues to judgements on perspectives, conflicts and responsibilities.
3. **Practical application** – having learnt the ethical principles and requirements via the Ethics Learning Programme, applying them in context within the ACA exams, students develop and apply ethical skills and behaviours within their daily work experience supported by their six-monthly reviews with their employer and the professional development framework.

Professional scepticism is a key professional skill that supports effective decision making. Chartered accountants must take an enquiring, questioning approach, not always accepting information at face value. We embed the requirement to apply professional scepticism within exam questions; students can expect to have to apply this skill in one or more of the following ways:

- Obtain and understand information relevant for making reliable judgements based on facts and circumstances known to them.
- Make informed challenges of views developed by others.

- Be sensitive to the integrity of information, including the source of information and the appropriateness of its presentation.
- Withhold judgement pending thoughtful consideration of all known and relevant available information.
- Be alert to potential bias or other impediments to the proper exercise of professional judgement.

PRACTICAL WORK EXPERIENCE

Practical work experience is undertaken as part of a training agreement with an authorised training employer or principal. Students need to complete at least 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training are invaluable, giving them the opportunity to put what they're learning into practice. Experience can be completed in at least one of the following six categories:

1. Accounting.
2. Audit and assurance (audit is not compulsory).
3. Financial management.
4. Information technology.
5. Insolvency.
6. Taxation.

Student practical work experience should:

- include responsibility levels that increase in depth and scope as the student progresses through their training;
- be recorded throughout their training agreement; and
- expose them to as many different practical assignments, finance functions and/or clients in as many different sectors as possible.

15 ACCOUNTANCY, FINANCE AND BUSINESS EXAMS

Students gain in-depth knowledge across a broad range of topics in accountancy, finance and business. The exams are designed to complement their practical work experience, so they constantly progress through the qualification.

There are 15 exams over three levels – Certificate, Professional and Advanced. They can be taken in any order, except for the Case Study which has to be attempted last, within the final year of an ACA training agreement and once all other exams have been attempted or received credit.



CERTIFICATE LEVEL

There are six exams at this level that introduce the fundamentals of accountancy, finance and business. Students may be eligible for credit for some exams if they have studied a qualification we recognise. Find out more at [icaew.com/cpl](https://www.icaew.com/cpl).

The Certificate Level exams are each 1.5 hours long, have a 55% pass mark, and can be sat throughout the year.

PROFESSIONAL LEVEL

The next six exams build on the fundamentals and test students' understanding and ability to use technical knowledge in real-life scenarios. The exams can be taken in March, June, September and December. Please note, the Business Planning alternative exams for banking and insurance are available at the June, September and December sittings.

The Professional Level exams are 2.5 hours long, except for Financial Accounting and Reporting which is 3 hours long. Each exam has a 55% pass mark.

Prescribed texts are permitted for Audit and Assurance, Finance Accounting and Reporting and Tax Compliance, with the Business Planning exams being open book.

The Professional Level exams are flexible and can be taken in any order to fit with a student's

day-to-day work. The Business Planning and Business Strategy and Technology exams in particular help students to progress to the Advanced Level.

Alternative exams are available for the Business Planning and Financial Accounting and Reporting modules.

The Business Planning exams provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. The suite of Business Planning exams is based on the same syllabus structure and skills frameworks, and will give students the opportunity to demonstrate their learning and use this in the context of taxation, banking or insurance. There are three to choose from - Business Planning: Taxation, Business Planning: Banking, and Business Planning: Insurance. Students will need to sit one of the Business Planning exams.

Alternative financial reporting exams are also available for Financial Accounting and Reporting. Students can choose between two different contexts, either UK GAAP or IFRS Standards. This means that students can study the financial reporting framework most beneficial to their employer and clients. Students will need to sit one version of the Financial Accounting and Reporting exam.

An authorised training employer or principal will guide their students on the exams which are right for them. If a student is studying the ACA independently, they should consider their future ambitions when selecting which exams to sit.

ADVANCED LEVEL

The Corporate Reporting and Strategic Business Management exams test students' understanding and strategic decision-making at a senior level. They present real-life scenarios, with increased complexity and implications from the Professional Level exams.

The Case Study tests all the knowledge, skills and experience gained so far. It presents a complex business issue which challenges students' ability to problem solve, identify the ethical implications and provide an effective solution.

The Advanced Level exams can be taken in July and November. They are fully open book, so they replicate a real-life scenario where all the resources are at their fingertips.

The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

For more information, guidance and support on exams, visit the exam resources area on our website at [icaew.com/examresources](https://www.icaew.com/examresources).

FLEXIBILITY

There are no regulations stipulating the order in which students must attempt the exams, allowing employers to design training programmes according to business needs. The exception to this rule is the Advanced Level Case Study exam, which must be the last exam attempted and when a student has entered their final year of training.

Students will be permitted a maximum of four attempts at each Certificate and Professional Level exam, and unlimited attempts at the Advanced Level exams.

CREDIT FOR PRIOR LEARNING (CPL)

Students with previous qualifications may be eligible to apply for CPL for up to 12 modules at the Certificate and Professional Levels. CPL is not available at the Advanced Level. For more information, visit [icaew.com/cpl](https://www.icaew.com/cpl).

PERMITTED TEXTS

For some Professional Level exams, students are permitted to use certain publications during the exam.

The Professional Level Business Planning exams and Advanced Level exams are open book, so students can use any material and texts during their exam. Students will have access to their personal ICAEW Bookshelf, containing their copies of the digital learning materials, including any highlights and notes that they have made during their study. Students may also take in any hard copy materials, subject to practical space restrictions.

Details of the specific permitted texts, and how materials can be accessed within exams can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

DATA ANALYTICS IN EXAMS

Chartered accountants are increasingly using more advanced approaches to interrogate client data. Embedding these techniques within our exams ensures that we continue to reflect the current and future workplace and will also help to develop students' judgement, professional scepticism and critical thinking skills.

The use of data analytics in exams is split between the use of data analytics software and the use of spreadsheet functionality, as described below.

Data analytics software

ICAEW has incorporated data analytics software within the Audit and Assurance and Corporate Reporting modules.

In the Audit and Assurance and Corporate Reporting exams, students will be provided with a dataset including thousands of transactions. They will be expected to use their data analytic skills to interrogate the data and identify areas of concern or items which warrant further investigation.

Use of spreadsheet functionality

A number of spreadsheet functions have become part of the learning materials and skills required of students. These cover three categories of data analysis, namely: structuring and assimilating data, statistical calculations and financial functions.





Within the Financial Management, Business Strategy and Technology and Strategic Business Management exams students may be examined in the following ways:

1. Data will be provided in the question, and the student should populate the spreadsheet based on the data in the question.
2. A spreadsheet will be provided in the exam with pre-populated data for the student to structure, assimilate, interpret and evaluate.

Details of the use of data analytics in the exams can be found at [icaew.com/das](https://www.icaew.com/das).


Skills progression through the ACA exams

The complete set of professional skills that ICAEW chartered accountants are required to develop during their training are detailed in the seven key areas of skills covered in the previous section on professional development. A subsection of these skills are embedded in the 15 modules and assessed in exams. The following skills are present throughout the 15 accountancy, finance and business modules:


SKILL	OVERALL
Assimilating and using information 	Understand a business or accounting situation, prioritise by determining key drivers, issues and requirements and identify and use relevant information.
Structuring problems and solutions 	Structure information from various sources into suitable formats for analysis and provide creative and pragmatic solutions in a business environment.
Applying judgement 	Apply professional scepticism and critical thinking to identify faults, gaps, inconsistencies and interactions from a range of relevant information sources and relate issues to a business environment.
Concluding, recommending and communicating 	Apply technical knowledge, skills and experience to support reasoning and conclusion and formulate opinions, advice, plans, solutions, options and reservations based on valid evidence and communicate clearly in a manner suitable for the recipient.

The level of skill required to pass each exam increases as ACA trainees progress upwards through each Level of the ACA exams. The skills progression embedded throughout the ACA qualification ensures ACA trainees develop the knowledge and skills to successfully operate in the modern workplace and which are expected by today's forward-thinking employers.

Skills	Certificate Level		Professional Level		Advanced Level	
	Assurance, Business, Technology & Finance, Law	Principles of Taxation, Management Information, Accounting	Financial Accounting & Reporting, Audit & Assurance, Financial Management, Tax Compliance	Business Planning and Business Strategy & Technology	Corporate Reporting and Strategic Business Management	Case Study

 **Assimilating and using information**

Understanding the situation and the requirements	Objective testing	Objective testing and simple scenarios	Scenarios		Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided		Single information source provided	Several information sources provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given		Issues included in scenarios		Issues included in complex scenarios	Issues included in unstructured complex scenarios

 **Structuring problems and solutions**

Structuring data	Specified techniques		Specified techniques	Techniques inferred by nature of problem	Techniques inferred by nature of problem	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems		Specified and implicit problems	Defined output but unspecified problems

 **Applying judgement**

Applying professional scepticism and critical thinking	Objective testing		Specified requirement in simple scenario	Specified requirement in scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Objective testing and Issues in simple scenarios	Issues in scenarios		Issues in complex scenarios	Issues in complex, unstructured scenarios

 **Concluding, recommending and communicating**

Concluding and recommending	Objective testing	Not assessed	Specified conclusions and recommendations in simple scenarios		Specified conclusions and reasoned recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format		Exam requirements, including some professional presentation		Professional presentations including reasoned recommendations	Professional report with appendices

PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Use multiple information sources.• Filter information provided to identify critical facts.• Identify and interpret information in data analytics software.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision-making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.• Use spreadsheets to assimilate, structure and analyse data.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify assumptions or faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise corporate responsibility and sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

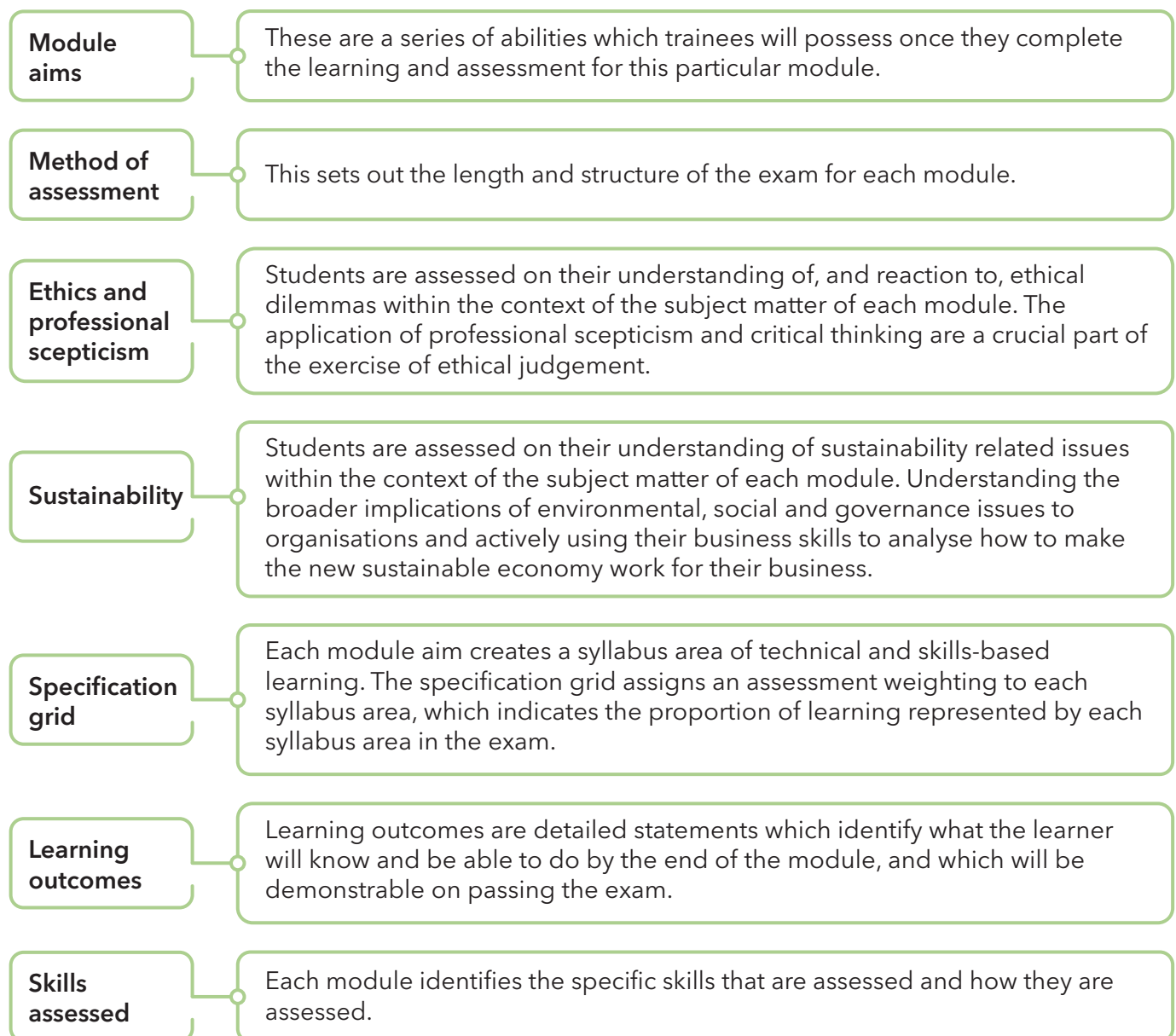
ACA Syllabus

The ACA syllabus is updated annually. The aim of the annual update is to ensure that the syllabus remains fit for purpose and can include amendments to cater for technical changes, clarification of learning outcomes, inclusion of new areas of knowledge impacting ICAEW chartered accountants, and removal of content for subject areas where there is duplication, repetition or content no longer relevant within the qualification. The process includes consultation with all key stakeholder groups and covers the skills, learning outcomes, and technical knowledge grids of each module.

This document presents the learning outcomes for each of the ACA exams. The learning outcomes in each exam should be read in conjunction with the relevant technical knowledge grids and, where applicable, the skills development grid.

UNDERSTANDING THE SYLLABUS FOR EACH MODULE

Each module has the following syllabus components:



Technical knowledge grids

The Technical Knowledge Grids show the technical knowledge in the disciplines of assurance and audit, business analysis, ethics codes and standards, financial reporting, taxation, banking and insurance covered in the ACA syllabus by module. For each technical area, the level of knowledge required is indicated by a letter from A to D, as follows.

- Level D - awareness of the scope of the standard
- Level C - general knowledge with a basic understanding
- Level B - working knowledge with a broad understanding
- Level A - thorough knowledge with a solid understanding

Advanced Level

Corporate Reporting

MODULE AIM

To enable students to apply technical knowledge, analytical techniques and professional skills to resolve compliance and business issues that arise in the context of the preparation and evaluation of corporate reports and from providing audit services.

Students will be required to use technical knowledge and professional judgement to identify, explain and evaluate alternatives and to determine the appropriate solutions to compliance issues, giving due consideration to the needs of clients and other stakeholders. The commercial context and impact of recommendations and ethical issues will also need to be considered in making such judgements.

On completion of this module, students will be able to:

- formulate, implement and evaluate corporate reporting policies for single entities and groups of varying sizes and in a variety of industries. They will be able to discern and formulate the appropriate financial reporting treatment for complex transactions and complex scenarios. Students will be able to evaluate and apply technical knowledge from IFRS[®] Accounting Standards and apply professional skills to integrate knowledge where several IFRS[®] Accounting Standards are simultaneously applicable and interact.
- analyse, interpret, evaluate and compare financial statements of entities both over time and across a range of industries.
- explain the processes involved in planning an audit, evaluate internal controls, appraise risk including analysing quantitative and qualitative data, and gather evidence including using data analytics software to draw conclusions in accordance with the terms of the engagement. In addition, they will be able to perform a range of assurance engagements and related tasks.
- evaluate corporate reporting policies, estimates and disclosures in a scenario in order to be able to assess whether they are in compliance with IFRS[®] Accounting

Standards and IFRS[®] Sustainability Disclosure Standards are appropriate in the context of audit objectives; and

- identify and explain ethical issues. Where ethical dilemmas arise, students will be able to recommend and justify and determine appropriate actions and ethical safeguards to mitigate threats.

PRIOR KNOWLEDGE

This module assumes and develops the knowledge and skills acquired in the Financial Accounting and Reporting module and in the Audit and Assurance module.

Background knowledge based upon the strategic elements of the Business Planning modules, Business Strategy and Technology and Financial Management modules will also be required in evaluating the business and financial risks of reporting entities.

REGULATION

The regulations relating to Corporate Reporting will have international application. The term IFRS[®] Accounting Standards includes both International Financial Reporting Standards and International Accounting Standards. Also examined in this module are the IFRS[®] Sustainability Disclosure Standards.

The regulations relating to auditing will be based upon auditing and assurance standards, including ISAs (UK). Knowledge of specific national standards will not be tested.

METHOD OF ASSESSMENT

The Corporate Reporting exam is 3.5 hours long. Each exam will contain questions requiring integration of knowledge and skills, including ethics. The exam will consist of three questions. Ethical issues and problems could appear in any of the three questions.

One question will require students to use data analytics software to assist in preparing the answer, and for that question Advance Information will be released before the Corporate Reporting exam. The Advance Information will comprise two parts:

- a dataset of 11 months' financial data for the company that students will see in the exam; and
- a document with background information and the scenario.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permitteditexts](https://www.icaew.com/permitteditexts).

ETHICS AND PROFESSIONAL SCEPTICISM

At the Advanced Level students will be expected to demonstrate the higher skills of sound, discerning business judgement and critical evaluation. The use of professional scepticism in a complex scenario is a necessary skill for the trusted business professional. The ethical implications of complex scenarios will be both at the organisational level and at the personal level for individuals. Professional scepticism and ethical judgement are paramount whether the accountant be in public practice or in business.

SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, but some variations may occur in individual examinations to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
Corporate Reporting - Compliance	55-65%
Corporate Reporting - Financial statement analysis	
Audit and Assurance	30-40%
Ethics	5-10%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids from at the end of this document.

CORPORATE REPORTING - COMPLIANCE

Students will be able to formulate, implement and evaluate accounting and reporting policies for single entities and groups of varying sizes and in a variety of industries. They will be able to discern and formulate the appropriate financial

The importance of ethical practice is reflected in ethics being covered in its own specific syllabus area as well as featuring in the integrated learning outcomes. Social responsibility, sustainability and environmental matters, identifying earnings manipulation and creative accounting are included as these areas require higher skills of judgement and evaluation. The ethical codes referenced will be those issued by IESBA and ICAEW.

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level and Professional Level is a key progression for the ICAEW chartered accountant at Advanced Level. Students will be expected to understand more advanced and interrelated sustainability concepts and their reporting, assurance, governance and ethical implications; for example, the different stakeholder perspectives on sustainability and climate change, and how they relate to sustainability and the concept of Environmental, Social and Governance (ESG). This is an important progression in measuring, reporting, providing assurance, and controlling sustainability-related inputs and outcomes.

reporting treatment for complex transactions and complex scenarios. Students will be able to evaluate and apply technical knowledge from IFRS® Accounting Standards and apply professional skills to integrate knowledge where several standards are simultaneously applicable and interact.

In the assessment, students may be required to:

1 PRINCIPLES

- a. explain and appraise the impact of accounting principles and bases of measurement in corporate reporting, for example fair value measurement;
- b. appraise corporate reporting regulations, and related legal requirements, with respect to presentation, disclosure, recognition and measurement, including the impact of climate-change and other sustainability-related opportunities and risks;
- c. explain, appraise and apply IFRS® Accounting Standards that relate to the impact of changes in accounting policies and estimates;
- d. explain and evaluate the impact of underlying assumptions on financial statements; and
- e. identify and explain current and emerging issues in corporate reporting.

2 REPORTING PERFORMANCE

- a. explain how different methods of recognising and measuring assets and liabilities can affect reported financial performance;
- b. explain and appraise accounting standards that relate to reporting performance: in respect of presentation of financial statements; revenue; operating segments; continuing and discontinued operations; EPS; interim reporting;
- c. formulate and evaluate accounting and reporting policies for single entities and groups of varying sizes and in a variety of industries; and
- d. calculate and disclose, from financial and other qualitative data, the amounts to be included in an entity's financial statements according to legal requirements, applicable IFRS® Standards and accounting and reporting policies.

3 ASSETS AND NON-FINANCIAL LIABILITIES

- a. explain and evaluate how different methods of recognising and measuring assets and liabilities can affect reported financial position, and explain the role of data analytics and sustainability-related opportunities and risks in asset and liability measurement; and

- b. explain and appraise accounting standards that relate to assets and non-financial liabilities for example: property, plant and equipment; intangible assets, held-for-sales assets; inventories; investment properties; provisions and contingencies.

4 FINANCING

- a. determine and calculate how different methods for recognising, measuring and classifying financial assets and financial liabilities can impact upon reported performance and position;
- b. appraise and evaluate cash flow measures and disclosures in single entities and groups;
- c. evaluate the impact of accounting policies and choice in respect of financing decisions for example hedge accounting and fair values; and
- d. explain and appraise IFRS® Accounting Standards that relate to an entity's financing activities which include: financial instruments; leasing; cash flows; borrowing costs; and government grants.

5 EMPLOYEE REMUNERATION

- a. explain how different methods of providing remuneration for employees may impact upon reported performance and position; and
- b. explain and appraise IFRS® Accounting Standards that relate to employee remuneration which include different forms of short-term and long-term employee compensation; retirement benefits; and share-based payment.

6 GROUPS

- a. analyse and evaluate the criteria used to determine whether and how different types of investment are recognised and measured as business combinations; and
- b. calculate and produce, from financial and other data, the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinued interests (which include situations when acquisitions occur in stages and in partial disposals) in subsidiaries, associates and joint ventures.

7 REPORTING TRANSACTIONS AND BALANCES IN FOREIGN CURRENCIES AND OPERATIONS

- a. determine and calculate how exchange rate variations are recognised and measured

and how they can impact on reported performance, position and cash flows of single entities and groups; and

- b. demonstrate, explain and appraise how foreign exchange transactions are measured and how the financial statements of foreign operations are translated.

8 TAXATION

- a. explain, determine and calculate how current and deferred tax is recognised and appraise IFRS® Accounting Standards that relate to current tax and deferred tax.

CORPORATE REPORTING - FINANCIAL STATEMENT ANALYSIS

Students will be able to analyse, interpret, evaluate and compare financial statements of entities, including using data analytics software, both over time and across a range of industries.

In the assessment, students may be required to:

9 FINANCIAL STATEMENT ANALYSIS

- a. appraise the nature and validity of financial and non-financial information included in published financial statements including how these correlate with an understanding of the entity;
- b. evaluate and appraise the nature and validity of information disclosed in annual reports, including integrated reporting and other voluntary disclosures, including those relating to natural capital sustainability and climate-related risks and opportunities;
- c. appraise the limitations of financial analysis;
- d. analyse and evaluate the performance, position, liquidity, efficiency and solvency of an entity through the use of ratios and similar forms of analysis including using quantitative and qualitative data;
- e. interpret the potentially complex economic environment in which an entity operates and its strategy based upon financial and operational information contained within the annual report (for example: financial and business reviews, reports on operations by management, corporate governance disclosures, financial summaries and sustainability disclosures (including Task Force on Climate-related Financial Disclosures (TCFD) and IFRS® Sustainability Disclosure Standards);

- f. appraise the significance of inconsistencies and omissions in reported information in evaluating performance, including using audit data analytics software;
- g. compare the performance and position of different entities allowing for inconsistencies in the recognition and measurement criteria in the financial statement information provided;
- h. evaluate the performance of an entity using accounting information in data analytics software using appropriate data analysis tools, including spreadsheets, to interpret and present conclusions;
- i. construct adjustments to reported earnings in order to determine underlying earnings and compare the performance of an entity over time;
- j. analyse and evaluate business risks and assess their implications for corporate reporting;
- k. analyse and evaluate financial risks (for example financing, currency and interest rate risks) and assess their implications for corporate reporting; and

AUDIT AND ASSURANCE

Students will be able to explain the processes involved in planning an audit, evaluating internal controls, appraising risk including analysing quantitative and qualitative data, gathering evidence and drawing conclusions in accordance with the terms of the engagement. In addition, they will be able to perform a range of assurance engagements and related tasks.

In the assessment, students may be required to:

10 PROFESSIONAL PRACTICE

- a. explain the nature and purpose of quality assurance (both at the level of the firm and the individual audit) and assess how it can contribute to risk management including sustainability risk and governance; and
- b. evaluate and explain current and emerging issues in auditing including developments in the use of technology (eg, impact of Task Force on Climate-related Financial Disclosures, IFRS® Sustainability Disclosure Standards, big data, data analytics, artificial intelligence and blockchain).

11 PLANNING

- a. appraise the entity and the, potentially complex, economic environment within which it operates as a means of identifying and evaluating the risk of material misstatement;
- b. identify and appraise the risks, including analysing qualitative and quantitative data using audit data analytics software, arising from, or affecting, a potentially complex set of business processes and circumstances and assess their implications for the engagement;
- c. identify significant business risks (including those arising from fraud, cyber security and technological advances including cloud computing, cryptocurrencies and robotic process automations) and assess their potential impact upon the financial statements and the audit engagement;
- d. evaluate the impact of risk and materiality in preparing the audit plan, for example the nature, timing and extent of audit procedures;
- e. determine analytical procedures, where appropriate using appropriate data analysis tools, at the planning stage using technical knowledge of corporate reporting, data analytics software and skills of financial statement analysis;
- f. evaluate the components of audit risk for a specified scenario using data analytics software when appropriate, including the interactions of inherent risk, control risk and detection risk, considering their complementary and compensatory nature;
- g. interrogate an organisation's accounting records using data analytics software to identify audit risks and communicate with the audit team;
- h. show professional scepticism and management challenge in assessing the risk of material misstatement, having regard to the reliability of management;
- i. evaluate, where appropriate, the need for, and extent of reliance to be placed on expertise from other parties to support audit processes including when to challenge the extent and working practices of other parties; and
- j. develop and appraise, based upon planning procedures, an appropriate audit strategy and detailed audit plan or extracts.

12 INTERNAL CONTROL SYSTEMS

- a. analyse and evaluate the control environment for an entity based on an understanding of the entity, its operations and its processes;
- b. evaluate an entity's processes for identifying, assessing and responding to business and operating and governance risks as they impact on the financial statements;
- c. appraise an entity's accounting information systems and related business processes relevant to corporate reporting and communication including virtual arrangements and cloud computing;
- d. analyse and evaluate strengths and weaknesses of preventative and detective control mechanisms and processes, highlighting control deficiencies; including weaknesses related to cyber security and corporate data controls;
- e. evaluate controls relating to information technology and e-commerce; including controls associated with cyber security and corporate data security;
- f. explain and appraise the entity's system for monitoring and modifying internal control systems; and
- g. devise, explain and evaluate tests of controls.

13 CORPORATE GOVERNANCE

- a. explain, appraise and evaluate the nature and consequences of corporate governance and accountability mechanisms in controlling the operating and financial activities of entities of differing sizes, structures and industries;
- b. explain and appraise the rights and responsibilities of the board, board committees (eg, audit and risk committees), those charged with governance and individual executive and non-executive directors, with respect to the preparation and audit of financial statements;
- c. explain and appraise the rights and responsibilities of stakeholder groups (eg, executive management, bondholders, government, securities exchanges, employees, public interest groups, financial and other regulators, institutional and individual shareholders) with respect to the preparation and audit of financial statements;
- d. explain and evaluate the nature and consequences of relevant corporate

governance codes and set out the required compliance disclosures;

- e. explain the principles, practices and disclosures of corporate governance;
- f. explain the respective responsibilities of those charged with governance and auditors for corporate risk management and risk reporting including sustainability risks and opportunities;
- g. explain the respective responsibilities of those charged with governance and auditors in respect of internal control systems;
- h. explain and evaluate the roles and requirements for effective two-way communication between those charged with governance and auditors; and
- i. describe and explain the roles and purposes of meetings of boards and of shareholders.

14 AUDIT EVIDENCE

- a. explain and evaluate the relationship between audit risk and audit evidence;
- b. determine, design and develop audit objectives for each financial statement assertion;
- c. justify and conclude for a particular scenario what comprises sufficient, appropriate audit evidence;
- d. design and determine audit procedures in a range of circumstances and scenarios, for example identifying an appropriate mix of tests of controls, analytical procedures and tests of details;
- e. apply professional scepticism to the process of gathering audit evidence and evaluating its reliability including the use of client-generated information and external market information and audit data analytics software;
- f. demonstrate and explain, in the application of audit procedures, how relevant ISAs affect audit risk and the evaluation of audit evidence;
- g. evaluate, applying professional judgement, whether the quantity and quality of evidence gathered from various audit procedures, including interpreting and extrapolating the results of sampling using appropriate data analysis tools and analytical procedures, is sufficient to draw reasonable conclusions;
- h. produce appropriate audit documentation; and
- i. recognise and prioritise using professional judgement audit issues arising whilst

gathering assurance evidence that should be referred to a senior colleague or other specialist.

15 REPORTING AND CONCLUDING

- a. appraise the appropriateness of the going concern basis of accounting, evaluate management's assessment of going concern and assess the appropriateness of going concern disclosures;
- b. appraise and assess the significance of events after the reporting period;
- c. evaluate, quantitatively and qualitatively, using analytical procedures and appropriate data analysis tools, the results and conclusions obtained from audit procedures;
- d. conclude and justify on the nature of the report on an audit engagement, and formulate an opinion for a statutory audit, which are consistent with the results of the audit evidence gathered;
- e. compose suitable extracts for reports (for example any report to the management or those charged with governance issued as part of the engagement); and
- f. appraise 'other information' in the annual report and report on material misstatements in this information and material inconsistencies with the financial statements including climate-change disclosures.

16 ASSURANCE ENGAGEMENTS

- a. explain the nature of a range of different assurance engagements, including those relating to environmental and sustainability disclosures;
- b. evaluate the evidence necessary to report at the appropriate level of assurance;
- c. evaluate risk in relation to the nature of the assurance engagement and the entity or process for a given scenario; and
- d. design and determine procedures necessary to attain the relevant assurance objectives in a potentially complex scenario.

17 OTHER ENGAGEMENTS

- a. evaluate the role of internal audit and design appropriate procedures to achieve the planned objectives;
- b. appraise and explain the nature and purposes of forensic audit and prepare and plan procedures required to achieve a range of differing objectives;

- c. explain the roles and responsibilities that auditors may have with respect to a variety of different types of information and design procedures sufficient to achieve agreed objectives; and
- d. explain the nature and purposes of due diligence procedures (for example: financial, commercial, operational, legal, tax, human resources) and plan procedures required to achieve a range of differing financial objectives.
- d. recommend and justify appropriate actions where ethical and professional conduct issues arise in a given scenario; and
- e. design and evaluate appropriate safeguards to mitigate threats and provide resolutions to ethical problems.

AUDIT AND CORPORATE REPORTING – INTEGRATED LEARNING OUTCOMES

Students will be able to evaluate corporate reporting policies, estimates and disclosures in a scenario in order to be able to assess whether they are in compliance with IFRS® Accounting Standards and are appropriate in the context of audit objectives.

In the assessment, students may be required to:

18 INTEGRATED LEARNING OUTCOMES

- a. explain and evaluate corporate reporting and assurance issues in respect of social responsibility, sustainability and climate change issues for a range of stakeholders; and
- b. evaluate accounting policies choices and estimates, identifying issues of earnings manipulation and creative accounting.

ETHICS

Students will be able to identify and explain ethical issues. Where ethical dilemmas arise, they will be able to recommend, justify and determine appropriate actions and ethical safeguards to mitigate threats.

In the assessment, students may be required, in the context of corporate reporting and auditing, to:

19 ETHICS

- a. identify and explain ethical issues in reporting, assurance and business scenarios;
- b. explain and appraise the relevance, importance and consequences of ethical issues;
- c. evaluate the impact of ethics on a reporting entity, relating to the actions of stakeholders;

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Identify and understand the requirements.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify and explain risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Use multiple information sources.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- have a detailed knowledge and understanding of relevant regulations in financial reporting, auditing and ethics, which will need to be related to practical business scenarios and applied to any data provided. The data provided will focus on technical compliance and understanding;
- respond to instructions from a line manager, a client request or from other senior personnel. The requests may be specific, or they may be more general requiring interpretation and judgement to be applied by the student;
- evaluate the quality and relevance of information provided in the context of a particular assignment;
- evaluate inconsistencies in information provided from multiple sources;
- use different sources and types of evidence, including data analytics software and statistical tools including spreadsheets, to confirm, or question, financial statement assertions applying professional scepticism; and
- evaluate the ethical implications of making information available including confidentiality and transparency.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- apply technical knowledge, analytical techniques and professional skills to resolve compliance and business issues that arise in the context of the preparation and evaluation of corporate reports and from providing audit services;
- structure problems and solutions in scenario based questions which may be presented in the following forms:
 - Mini case - using data analytics software in the context of auditing but with significant corporate reporting emphasis. This may be technical, compliance or interpretive (for example including analytical procedures).
 - Financial statement analysis - including technical aspects of corporate reporting.
 - Technical question on aspects of audit and corporate reporting (which may include assurance, internal audit).
- evaluate ethical problems in reporting, assurance and business scenarios;
- formulate, evaluate and implement accounting and reporting policies;
- measure and recognise assets and obligations on reported financial performance;
- assess the impact and interaction of applicable accounting principles, bases and standards;
- evaluate the impact of remuneration policies on reported performance; and
- evaluate reporting issues in relation to group scenarios and overseas activities.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required and always appropriately challenge and critically review the expert's work.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Appraise corporate responsibility and sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- use technical knowledge and professional judgement to identify, explain and evaluate alternatives and to determine the appropriate solutions to compliance issues, giving due consideration to the needs of clients and other stakeholders. The commercial context and impact of recommendations and ethical issues will also need to be considered in making such judgements; and
- demonstrate judgement in the following ways:
 - selecting between technical choices;
 - filtering data to identify critical elements;
 - prioritising information, issues or tasks;
 - identifying omissions in the information;
 - evaluating inconsistencies in information;
 - distinguishing between the various qualities of the data provided;
 - evaluating the impact of economic and political factors;
 - evaluating the effects of known events;
 - evaluating the appropriateness of accounting policy choice and estimation selection;
 - evaluating options;
 - comparing the effects of a range of estimates, outcomes or financial treatments;
 - assessing the materiality of errors;
 - exercising ethical judgement;
 - identifying key linkages; and
 - drawing appropriate conclusions from data provided to satisfy specified objectives and assessing the materiality of errors and omissions.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- draw conclusions from data, facts, calculations, judgments and own analysis;
 - draw conclusions from complex assurance engagements;
 - identify weaknesses in financial information systems and their potential consequences;
 - distinguish between the qualities of data provided or other evidence generated;
 - develop risk management solutions in an audit and corporate reporting environment;
 - create report/memorandum in response to a specific technical issue and in accordance with client requirements;
 - draft reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical/business issues identified;
 - use judgement to select the most appropriate audit procedures in the context of risks identified;
 - justify a specific recommended action when a variety of options are available; and
 - explain the limitations of their conclusions or recommendations.
-

Strategic Business Management

MODULE AIM

To enable students to demonstrate quantitative and qualitative skills, in order to make realistic business recommendations in complex scenarios. Business awareness will need to be demonstrated at strategic, operating and transactional levels.

To achieve this aim, students will be required to use technical knowledge and professional judgement to apply appropriate models and to analyse quantitative and qualitative data from multiple sources, including corporate reports and spreadsheet data, in order to evaluate alternatives and determine appropriate solutions.

On completion of this module, in a national or global context, and for a range of different business structures and industry scenarios, students will be able to:

- analyse and identify the external environment and internal strategic capability of an entity; evaluate the consequences of strategic choices; recommend strategies to achieve stakeholder objectives, recommend appropriate methods of implementing strategies and monitoring strategic performance; manage business risks; and advise on corporate governance;
- identify and advise upon appropriate finance requirements; evaluate financial risks facing a business and advise upon appropriate methods of measuring and managing those risks; provide valuations for businesses and securities; and advise upon investment and distribution decisions;
- identify and explain ethical issues. Where ethical dilemmas arise, students will be able to recommend and justify and determine appropriate actions and ethical safeguards to mitigate threats, including those relating to sustainability;
- interpret and apply corporate reporting information in evaluating business and financial performance; recognise and explain the corporate reporting consequences of business and financial decisions; apply corporate reporting information in appropriate models to

determine asset, equity and entity valuations, demonstrating an understanding of the usefulness and limitations of accounting information in this context; and

- appraise and explain the role of assurance in raising new equity and debt funding and in the subsequent monitoring of such funding arrangements; understand, explain and evaluate the role of assurance in selecting and implementing key business decisions including acquisitions, strategic alliances and sustainability issues; and understand and explain the role of assurance in financial and business risk management.

PRIOR KNOWLEDGE

This module assumes and develops the knowledge and skills acquired in the Business Strategy and Technology module, the Financial Management module and the Financial Accounting and Reporting module.

Background knowledge based upon the assurance elements of the Audit and Assurance module will also be required in evaluating the business and financial risks of reporting entities.

METHOD OF ASSESSMENT

The Strategic Business Management exam is 3.5 hours long. The exam will contain questions requiring integration of knowledge and skills, including ethics. The exam will consist of two questions, and ethical issues and problems could appear in either question.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permitteds](https://www.icaew.com/permitteds).

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking must be at the forefront of the strategic business awareness that students will be demonstrating. Students will be considering notions of stakeholder impact and scope as well as appropriate safeguards within a specific learning outcome. Over and above this, recommendations relating throughout the syllabus will only by definition be valid if they fulfil fundamental requirements of being fair and just. This is guided by specific focus across a range of considerations from social responsibility and sustainability to transparency. Professional scepticism will need to be evidenced in complex scenarios, recognising bias and gaps in evidence.

Ethical codes will be those issued by IESBA and ICAEW. The ethical implications will be at both the organisational level and for individuals, particularly with respect to the accountant in business.

SPECIFICATION GRID

The grid below shows the relative weightings of subjects within this module and should guide the study time spent on each. Over time the marks available in the assessment will be within the ranges of weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

SYLLABUS AREA	WEIGHTING
Business Strategy and Management	30-40%
Financial Strategy	
Financial Structure and Financial Reconstruction	25-35%
Financial Instruments and Financial Markets	
Corporate Reporting	15-20%
Assurance	10%
Ethics	5-10%

BUSINESS STRATEGY AND MANAGEMENT

Students will be able to analyse and identify the external environment and internal strategic capability of an entity; evaluate the consequences of strategic choices; recommend strategies to achieve stakeholder objectives, recommend appropriate methods of implementing strategies and monitoring strategic performance; measure and manage business risks; and advise on corporate governance. Students will also be able to apply corporate reporting and assurance

SUSTAINABILITY

The application of sustainability knowledge and understanding gained at Certificate Level and Professional Level is a key progression for the ICAEW chartered accountant at Advanced Level. Students will be expected to understand more advanced and interrelated sustainability concepts and their business, finance, reporting, assurance, governance and ethical implications; for example, the different stakeholder perspectives on sustainability and climate change, and how they relate to sustainability and the concept of Environmental, Social and Governance (ESG). This is an important progression in using judgement to evaluate competing objectives relating to strategy, operations, finance, risk, measurement, assurance, and governance of sustainability-related inputs and outcomes.

principles and practices in the context of key business decisions and events.

In the assessment, students may be required to:

1 STRATEGIC ANALYSIS

- describe and explain the strategic objectives of an entity considering the interests of stakeholders;
- analyse and evaluate, for a given scenario, the external economic, market and industry environment which may impact upon, or

- be impacted by, a business's performance and operations, including climate change externalities and sustainable supply chains;
- c. identify and evaluate the significance of the internal organisational and operational capabilities in a given scenario which may influence an entity's ability to achieve its chosen strategic objectives, (including core competencies, technology, existing business processes, human capital and workforce flexibility);
 - d. analyse and evaluate an entity's current position and performance, from both a financial perspective and a non-financial perspective, using a variety of internal and external information sources;
 - e. demonstrate how strategic analysis tools can be used in a complex scenario;
 - f. demonstrate how business strategy and financial strategy can interrelate in a complex scenario;
 - g. evaluate and advise upon the strategic capability of an entity;
 - h. evaluate strategy at corporate, business unit and operational levels;
 - i. analyse and evaluate current technology developments including those relating to big data, internet of things, digital assets, automation, intelligent systems, the platform economy, distributed ledger technology eg, blockchained cryptocurrencies;
 - j. explain, demonstrate and evaluate how data from multiple sources can be selected, captured and analysed to provide management information, recognising the causes and effects of different types of data bias, data omissions, data limitations and data trends and applying an appropriate degree of professional scepticism;
 - k. explain and analyse an organisation's current position and performance using both financial and non-financial data, presented in different formats, applying appropriate statistical and data analysis tools, including spreadsheets; and
 - l. explain and evaluate the causes and effects of different types of data distributions and data trends using appropriate statistical and data analysis tools, including the implications for business risk; determining and explaining sensitivity in a range of scenarios.

2 STRATEGIC CHOICE

- a. assess, advise on and propose appropriate business strategies to meet stated objectives, including sustainability targets;
- b. identify and evaluate business unit strategies to achieve sustainable competitive advantage;
- c. explain and demonstrate how financial and non-financial data can be analysed in order to select an optimal business strategy, including the impact of big data on business models;
- d. explain and demonstrate how strategic business models can be used in a given scenario, to identify factors that a business can consider in choosing between competing strategies;
- e. explain international strategies; appraise international value chains and markets; including the concepts of globalisation and the borderless business; and show the impact on individual and group financial statements of changes in foreign exchange rates;
- f. evaluate digital strategies, including the use of cloud accounting, software selection, digital assets, automation, artificial intelligence, machine learning and robotic process automation;
- g. explain and demonstrate how management information can be used to evaluate proposed strategies, taking account of limitations of data, including data bias; and
- h. structure, assimilate and evaluate historic and estimated data in appropriate ways, using appropriate statistical and data analysis tools, to support business decisions.

3 STRATEGIC IMPLEMENTATION

- a. demonstrate and explain the impact of acquisitions and strategic alliances in implementing corporate strategy and evaluate the nature and role of assurance procedures in selecting, controlling and monitoring such strategies;
- b. evaluate and explain the relationship between business strategy and organisational structure;
- c. explain and evaluate the nature and methods of change management and advise on the implementation of change in complex scenarios, including digital disruption and climate change transition;

- d. demonstrate and explain the techniques that may be used in implementing a strategy to reduce costs, for example supply chain management, business process re-engineering and outsourcing;
- e. evaluate, in a given scenario, the functional strategies necessary to achieve a business's overall strategy;
- f. develop business plans and proposals and advise on technical issues relating to business and organisational plans, assessing the impact on historic and projected corporate reporting information;
- g. demonstrate an understanding of, and provide advice on, data security issues, including cyber security issues, arising from communications, shared systems and data sharing throughout the supply chain and with strategy partners; and
- h. identify and explain barriers to implementation of digital strategy, including digital transformation, and make recommendations as to how they may be overcome.

4 STRATEGIC PERFORMANCE MANAGEMENT

- a. advise on, and develop, appropriate performance management approaches for businesses and business units, including the use of data analytics;
- b. explain and demonstrate how a business can analyse complex, quantitative and qualitative data from multiple sources to provide strategic management accounting information to implement, monitor and modify a strategy at an appropriate organisational level in order to create competitive advantage;
- c. use financial and non-financial performance data from a variety of sources, including integrated reporting disclosures, to measure and monitor multiple aspects of performance at a variety of organisational levels;
- d. advise on, and develop, appropriate remuneration and reward packages for staff and executives linked to performance, considering agency relationship issues; and evaluate the impact on corporate reports arising from employee remuneration, including pensions and share-based payment;
- e. develop measures to monitor and evaluate performance in the context of sustainability, including the impact and dependencies of: social responsibility, environmental factors, natural capital and climate change; and
- f. set out and explain assurance procedures for qualitative and quantitative disclosures relating to sustainability and developing sustainability standards, including social responsibility and environmental matters and demonstrate how effective assurance can benefit stakeholders and the public interest.

5 STRATEGIC MARKETING AND BRAND MANAGEMENT

- a. assess and evaluate strategic marketing issues and demonstrate the application of quantitative and qualitative marketing techniques in complex scenarios;
- b. evaluate and analyse markets and the marketing environment and develop a marketing strategy consistent with the overall business strategy;
- c. explain, using information provided, how to position particular products and services in the market place (domestic or international) to maximise competitive advantage, and assess the corporate reporting impact arising from revenue and profit recognition in accordance;
- d. demonstrate, across a range of industries, how elements of the marketing mix can be used to promote competitive advantage;
- e. develop and explain marketing strategies using databases, big data and information technology applications such as social media and other internet sources;
- f. develop and explain the strategies for managing and sustaining existing brands;
- g. prepare marketing strategies and show how they can be used to develop brands; and
- h. demonstrate how appraisal techniques can be used for valuing brands, patents, R&D projects and intellectual property and evaluate relevant corporate reporting recognition and measurement for Intangible Assets.

6 BUSINESS RISK MANAGEMENT

- a. analyse and evaluate the key types of business risks using relevant quantitative and qualitative data and assess their implications within a given scenario, for business strategy and corporate reporting disclosures;

- b. advise on the risks involved in business and organisational plans and show how these risks can be managed by assurance procedures and other forms of risk mitigation, including managing the strategic, operating and financial risks arising from sustainability issues and climate change;
- c. explain the responsibility of those charged with governance for managing risk and assess the role of assurance in risk mitigation;
- d. assess the impact of risk on a variety of stakeholders;
- e. explain and assess the various steps involved in constructing a business risk management plan, by establishing context, identifying risks and the assessment and quantification of risk;
- f. evaluate and explain the limitations of business risk management; and
- g. assess and explain enterprise risk management, evaluating its framework and its benefits; and analyse, structure and assimilate data provided to evaluate business risks under a range of complex scenarios using appropriate statistical and data analysis tools, recognising various types of data bias in a variety of scenarios.

7 CORPORATE GOVERNANCE

- a. assess the nature of governance and the explain the characteristics and principles of good governance in a variety of scenarios;
- b. assess the interests and impact of organisational stakeholders in determining strategy and the consequences of strategic choices, including responsibilities to stakeholders for sustainability and environmental, social and governance (ESG) policies;
- c. evaluate the impact of governance mechanisms on a range of stakeholders;
- d. assess and advise on appropriate corporate governance mechanisms, and evaluate stakeholder management;
- e. analyse and evaluate the strengths and weaknesses of corporate governance mechanisms and processes, including governance over data;
- f. explain the role of boards in determining and evaluating an entity's policy for sustainability and advise on corporate reporting measurement and disclosures

relating to these policies including the proposals of the Task Force on Climate-related Financial Disclosures (TCFD) and the UK Transition Plan Taskforce (TPT) Implementation Guidance for net zero;

- g. evaluate the suitability of corporate governance and organisational structures for implementing strategy;
- h. explain the role of boards in monitoring corporate performance and risk, and assess the role of assurance procedures in this context; and
- i. explain the nature, and assess the consequences, of the legal framework within which businesses, assurance and governance systems operate (with particular reference to company law, fraud, money laundering, civil liabilities, social security law, employment law, contract law, tort and environmental law).

8 DATA ANALYSIS

- a. undertake appropriate quantitative and qualitative data analysis, statistical analysis, business analysis and financial statement analysis;
- b. explain financial and operational data and other management information, drawing inferences relating to its completeness, accuracy and credibility, as a basis for a meaningful analysis of the position, future prospects and risks for a business;
- c. demonstrate how suitable financial, strategic and operational analysis techniques can be used to analyse financial and operational data and to evaluate business position, prospects and risks, including the analysis and benefits of 'Big Data', artificial intelligence and machine learning;
- d. communicate an explanation (stating any reservations regarding transparency and objectivity of data and information) of the position, prospects and risks of a business, based on analysis of financial and operational data and information, including data analytics and assess the extent to which limited assurance and reasonable assurance engagements can identify and mitigate information risks in this context;
- e. apply professional scepticism to data sources and data capture in interpreting quantitative and qualitative information;

- f. analyse, structure and assimilate historic and forecast data provided to evaluate performance, position and risk using relevant statistical tools, data analysis and spreadsheets, recognising the sensitivity of forecasts to underlying assumptions and changes in estimates; and
- g. assimilate, structure and analyse transactions and other granular data provided, using spreadsheets.

9 INFORMATION STRATEGY

- a. outline proposals and advise on outline requirements for information technology applications to support business strategy, for example in the context of e-commerce, e-business, virtual arrangements, artificial intelligence, digital assets and cloud computing, including assurance issues in relation to data security;
- b. use management accounting information (for example, costs, prices, budgets, transfer prices) and management accounting tools (for example, break-even, variances, limiting factors, expected values, ABC, balanced scorecard) to evaluate short and long-term aspects of strategy;
- c. explain and appraise how management information systems can provide relevant quantitative and qualitative data to analyse markets, industry and performance, including the capture and analysis of big data;
- d. demonstrate and explain methods for determining the value of information in the context of developing an information strategy;
- e. assess financial and operational data and information from management information systems, drawing inferences relating to its completeness, accuracy and credibility, and provide an evaluation of assurance procedures in evaluating information risks, including those relating to cyber security;
- f. demonstrate and explain how businesses capture, analyse and utilise information to develop competitive advantage and monitor the achievement of sustainability goals;
- g. evaluate the impact of cloud computing and the borderless business on the provision of strategic management information, including the use of cryptocurrencies;

- h. explain and appraise corporate strategies for ensuring security of data and preventions of attacks against data in the context of cyber security; and
- i. explain the impact of regulations relating to data security (eg GDPR) including the issues incurred in complying with such regulation.

10 HUMAN RESOURCE MANAGEMENT

- a. assess, explain and advise on the role of human resource management in implementing strategy;
- b. demonstrate and explain how human resource management can contribute to business strategy, including flexible workforce management;
- c. identify the impact of remuneration structures on organisational behaviour and other aspects of human resource management, and show the corporate reporting consequences; and
- d. demonstrate and explain the role and impact of human resource management in change management, including the impact on social and sustainability objectives.

FINANCIAL STRATEGY

Students will be able to identify and advise upon appropriate finance requirements; evaluate financial risks facing a business and advise upon appropriate methods of managing and quantifying those risks; provide valuations for businesses and securities; and advise upon investment and distribution decisions. Students will also be able to apply corporate reporting and assurance principles and practices in the context of key financing decisions and events.

In the assessment, students may be required to:

11 FINANCE AWARENESS

- a. demonstrate and explain the financing alternatives available for projects and assets, and make informed choices as to which alternative is the most compatible with the overall financial strategy of the entity, showing the corporate reporting consequences relating to presentation, disclosure, recognition and measurement of projects and their financing;
- b. assess and explain current and emerging issues in finance, including the role of finance in achieving sustainability goals;

- c. identify sustainability issues, including social responsibility and environmental factors for a range of financial stakeholders, including UN sustainable development goals, natural capital and green finance, and assess assurance and corporate reporting issues relating to such factors;
- d. explain how financial crises, which have occurred in the past over a long time period, may impact on approaches and attitudes to financial risk and may inform corporate reporting practice; and
- e. explain the role and impact of the finance function as a business partner.

12 BUSINESS AND SECURITIES VALUATION

- a. explain, advise on and demonstrate appropriate valuation methods for businesses and equity securities using: asset-based; adjusted earnings-based; and cash-based methods (for example SVA, EVAR, VBM, MVA and other appropriate techniques);
- b. critically appraise business and securities valuation methods in the context of specified complex scenarios, including the consideration of natural capital and growing, loss-making businesses;
- c. explain and demonstrate appropriate valuation techniques in the context of acquisitions and mergers; assess the contribution of due diligence procedures; and show the impact on corporate reports arising from acquisitions for groups in consolidated financial statements;
- d. explain and demonstrate appropriate valuation techniques in the context of demergers and for disposal of entities and business units, and show the impact on corporate reporting issues relating to discontinued operations;
- e. determine the value of debt and explain the techniques used; and
- f. analyse, structure and assimilate historic and forecast data provided to evaluate the impact on valuations using data analysis, relevant statistical tools and spreadsheets, recognising the sensitivity of valuations to underlying assumptions and changes in estimates.

FINANCIAL STRUCTURE AND

FINANCIAL RECONSTRUCTION

13 CAPITAL STRUCTURE

- a. appraise and evaluate the sources of finance and the process for raising finance, taking account of developments in FinTech;
- b. advise on and develop proposals for determining the appropriate financing mix for new businesses and projects;
- c. explain and advise on issues relating to the cost of capital;
- d. show and explain how dividend policy impacts upon equity value and upon financing and investment decisions; and
- e. appraise and explain how the choice of financing impacts on reported corporate performance, and on the recognition and measurement of financial assets and financial liabilities.

14 FINANCIAL RECONSTRUCTION

- a. show and explain how financial reconstruction takes place and explain the consequences of such reconstructions for corporate reporting;
- b. appraise and evaluate financial reconstruction proposals in a given scenario, and determine the nature and role of assurance procedures in this context;
- c. explain the different reasons for refinancing, and demonstrate how companies in financial distress can be managed, having regard to insolvency law;
- d. explain and appraise the workings of, and reasons for, securitisation, showing the impact on financial statement information;
- e. explain and appraise the nature and consequences of leveraged buy outs; and
- f. appraise and evaluate various forms of reconstruction (for example, spin-off, MBO, divestment, demergers, purchase of own shares, use of distributable profits), explaining the corporate reporting impact.

15 SMALL AND MEDIUM COMPANY FINANCING

- a. appraise and explain the small and medium-sized enterprise financing problem;
- b. appraise and evaluate the various methods of financing available to small and medium-sized enterprises, and explain the nature and role of assurance for small and

- medium-sized companies in raising such finance;
- c. assess and explain the characteristics of sources of equity for smaller companies and the financial institutions operating in these markets (for example, venture capital and private equity); and
 - d. Assess and explain the opportunities and challenges for small and medium-sized companies from implementing sustainability policies.

FINANCIAL INSTRUMENTS AND FINANCIAL MARKETS

16 EQUITY INSTRUMENTS

- a. assess and explain the types of equity securities, and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. appraise and explain the characteristics of equity markets and the financial institutions operating in these markets; and
- c. analyse and evaluate the cost of equity, portfolio theory and the use of appropriate asset pricing models, applying principles of financial economics.

17 FIXED INTEREST

- a. explain the types of fixed interest securities and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. appraise and explain the characteristics of bond markets and the financial institutions operating in these markets;
- c. appraise and evaluate the use of bonds/loans as a method of finance, and explain the implications of terms included in loan agreements in a given scenario (for example, covenants and guarantees) and the explain the procedures by which monitoring and assurance can be provided in respect of such agreements;
- d. explain and appraise bond valuation techniques and assess flat and gross redemption yields;
- e. explain and appraise yield curves, sensitivity to yield and components of the yield;
- f. evaluate and explain interest rate risk; and
- g. appraise and evaluate credit risk and credit spread.

18 DERIVATIVES

- a. explain the types of derivative securities and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. assess and explain the characteristics of derivative markets and the financial institutions operating in these markets; and
- c. appraise and evaluate the characteristics of forwards, futures, options, swaps, credit derivatives.

19 FINANCIAL RISK MANAGEMENT

- a. analyse and evaluate financial risks and their implications (for example financing, currency and interest rate risks) and show the application of qualitative and quantitative risk disclosures for financial instruments and other corporate reporting disclosures relevant to risk assessment;
- b. appraise and advise on appropriate methods to assess, manage and quantify financial risk in specific business scenarios;
- c. explain and appraise financial instruments available for hedging against interest rate and foreign exchange rate risk, for example, swaps, collars and floors;
- d. demonstrate and explain the nature and operation of financial instruments underlying the disclosure, recognition and measurement requirements in financial statements;
- e. demonstrate and explain how interest rate hedging strategies and foreign currency risk management strategies can be formulated, both at the level of the individual transaction and for macro hedging arrangements; and
- f. explain and demonstrate the causes and effects of different types of data bias and data distributions in evaluating financial risks, using appropriate statistical data analysis tools and spreadsheets.

20 INTERNATIONAL FINANCIAL MANAGEMENT

- a. explain and appraise the various methods of financing available for foreign investments and evaluate the implications for disclosure, presentation, recognition and measurement of changes in foreign exchange rates in financial statements;
- b. appraise and explain global treasury organisation and international liquidity management;

- c. appraise and evaluate the factors affecting the capital structure of a multinational company;
- d. explain and appraise the advantages and risks associated with international borrowing;
- e. demonstrate and explain the risks associated with international trade and the ways in which these risks can be managed, and assess the nature and role of assurance procedures in mitigating risk and the financial reporting consequences of currency hedging;
- f. appraise and evaluate the different methods open to multinationals wishing to set up foreign operations and the choices of finance available, identifying tax and corporate reporting consequences;
- g. assess and explain the impact of exchange controls and how companies can overcome the effects of these controls;
- h. appraise and evaluate the management of dividends in multinational organisations; and
- i. appraise and evaluate the management of transfer prices in multinational organisations and the implications for reported profit and tax.

21 INVESTMENT APPRAISAL

- a. select and advise on investment appraisal techniques which are appropriate to the objectives and circumstances of a given business;
- b. appraise and advise on appropriate measures of return and risk for assessing business projects using appropriate statistical tools, data analysis and spreadsheets;
- c. demonstrate and evaluate investment appraisal techniques for international projects, identifying the impact of tax and the effects on corporate reporting;
- d. explain and appraise real options and determine the impact of options to abandon, expand, delay and redeploy;
- e. appraise and evaluate the quantitative and qualitative issues surrounding international investment appraisal;
- f. evaluate the impact of externalities when making investment appraisal decisions; and
- g. identify and measure social responsibility, sustainability and environmental

consequences of investment decisions, explaining corporate reporting issues in relation to such policies.

22 TREASURY AND WORKING CAPITAL MANAGEMENT

- a. demonstrate and explain the role and responsibilities of the treasury management function;
- b. demonstrate and explain the role of treasury management in short-term finance, short-term investment and liquidity risk;
- c. appraise and evaluate the contribution of working capital management to short term and long term financing;
- d. evaluate the risks arising from working capital management and how these may be mitigated;
- e. evaluate and explain working capital requirements for a range of different organisations and circumstances;
- f. demonstrate and explain the nature and role of working capital management within financial management; and
- g. appraise, evaluate and advise with respect to working capital management techniques.

23 ETHICS

In the assessment, students may be required to:

- a. recognise and explain ethical, business trust and professional conduct issues;
- b. explain the relevance, importance and consequences of ethical issues;
- c. evaluate the ethical implications of an organisation's selection, capture, analysis and use of data;
- d. evaluate the impact of ethics on an entity, its stakeholders and the scope of its strategies and operations, considering the public interest;
- e. recommend and justify appropriate actions where ethical dilemmas arise in a given scenario;
- f. design and evaluate appropriate ethical safeguards; and
- g. evaluate and explain the ethical impact of sustainability policies, including climate change effects.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Identify and understand the requirements.• Recognise and evaluate new and complex ideas within a scenario.• Identify and explain the needs of customers and clients.• Explain different stakeholder perspectives and interests• Identify and evaluate risks within a scenario.• Identify and evaluate elements of uncertainty within a scenario.• Identify and explain ethical issues including public interest and sustainability issues within a scenario.	<ul style="list-style-type: none">• Interpret and assimilate information provided in various formats.• Evaluate the relevance of information provided.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify and explain business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- draw conclusions in the following ways:
 - from data, facts, calculations, judgments and own analysis;
 - on complex assurance engagements;
 - by identifying weaknesses in financial information systems and their potential consequences;
 - by distinguishing between the qualities of data provided or other evidence generated; and
 - by developing risk management solutions in an audit and corporate reporting environment.
- present and communicate their recommendations in the following ways:
 - from using a report/memorandum in response to a specific technical issue and in accordance with client requirements;
 - by using reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical/business issues identified;
 - by using judgement to select the most appropriate audit procedures in the context of risks identified; and
 - by justifying a specific recommended action when a variety of options are available.
- explain the limitations of their conclusions or recommendations.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Identify the solution which is the best fit with acceptance criteria and objectives.• Define objectives and acceptance criteria for solutions.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- Business management
 - Undertake a critical assessment of key business issues.
 - Structure market data and industry data from various sources.
 - Explain and evaluating the strengths and weaknesses of an organisation or segments of an organisation.
 - Evaluate the impact of decisions on business strategy.
 - Evaluate the impact of financial strategy on business strategy.
- Finance
 - Undertake valuations, where the information is incomplete, suspect or unsuitable.
 - Undertake financial risk analysis and considering the management of financial risks.
 - Evaluate the impact of business strategy on financial strategy.
- Corporate reporting
 - Consider relevance and reliability of unstructured information.
 - Evaluate the impact and legitimacy of a range of financial reporting treatments.
 - Deal with complex financial reporting information.
 - Impact of future events on financial statements.
 - Impact on financial statements of delaying or modifying business and financial decisions.
 - Evaluate business position, prospects and risks.
- Assurance
 - Understand business and inherent risks in complex scenarios.
 - Evaluate the control environment.
 - Undertake selective financial analysis.

- Evaluate risk and control evaluation in the context of IT.
- Undertake assurance to support specific transactions (eg, due diligence).
- Apply professional scepticism.
- Ethics
 - Identify ethical problems in complex scenarios and structuring appropriate actions.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence. • Identify faults in arguments. • Identify gaps in evidence. • Identify inconsistencies and contradictory information. • Assess interaction of information from different sources. • Exercise ethical judgement. 	<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence. • Identify faults in arguments. • Identify gaps in evidence. • Identify inconsistencies and contradictory information. • Assess interaction of information from different sources. • Exercise ethical judgement.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- drawing of inferences and conclusions from prior qualitative and quantitative analysis, and other information, in order to solve problems and developing a solution, or alternative solutions;
- select between technical choices;
- filter data to identify critical elements;
- prioritise information, issues or tasks;
- identify omissions in the information provided;
- evaluate inconsistencies in information;
- distinguish between the various qualities of the data provided;
- evaluate the impact of business, financial and economic factors;
- evaluate the effects of future events;
- evaluate the appropriateness of accounting policy and estimation selection;
- compare the effects of a range of estimates, outcomes or financial treatments;
- exercise ethical judgement;
- identify key linkages; and
- draw appropriate conclusions from data provided to satisfy specified objectives and assessing the materiality of errors and omissions.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none">• Apply technical knowledge to support reasoning and conclusions.• Apply professional experience and evidence to support reasoning.• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.	<ul style="list-style-type: none">• Present recommendations in accordance with instructions and defined criteria.• Make recommendations in situations where risks and uncertainty exist.• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.• Make evidence-based recommendations which can be justified by reference to supporting data and other information.• Develop recommendations which combine different technical skills in a practical situation.	<ul style="list-style-type: none">• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.• Present analysis and recommendations in accordance with instructions.• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.• Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- draw conclusions from data, facts, calculations, judgements and own analysis;
 - draw conclusions on complex assurance engagements;
 - draw conclusions by identify weaknesses in financial information systems and their potential consequences;
 - draw conclusions by distinguishing between the qualities of data provided or other evidence generated;
 - draw conclusions by developing risk management solutions;
 - draw conclusions by making strategic decisions;
 - draw conclusions by valuing a company or a financial instrument;
 - present a report/memorandum in response to a specific technical or business issue and in accordance with client requirements;
 - present reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical or business issues identified; and
 - justify a specific recommended action when a variety of options are available.
-

Case Study

MODULE AIM

To ensure that students can provide advice on complex business issues in the form of a written report.

The objective of the Case Study is to assess students' understanding of complex business issues and the ability to analyse financial and non-financial data, exercise professional and ethical judgement, and develop conclusions and recommendations.

CASE STUDY FORMAT

The Case Study scenario may be based on any one of a variety of different organisational structures or operations. Students will be provided with background details ('Advance Information') on the organisation and its business environment ahead of the exam. The Advance Information will comprise material in a variety of formats: as well as narrative exhibits and numerical data, they may include visualisations (eg, graphs, pie-charts, heat maps).

This information will not give specific indication of the eventual requirements of the Case Study. Students will be expected to familiarise themselves with the information provided about the organisation and the industry in which it operates, by undertaking detailed analysis of that Advance Information and some additional analysis and research where necessary. Students may take the results of their work into the exam.

METHOD OF ASSESSMENT

The Case Study exam is 4 hours long. The Case Study will not require the detailed computations needed for the Certificate, Professional and Advanced Levels; but students will be required to undertake financial and business analysis.

Requirements will be open in that there will be no predetermined correct answers to the Case Study. All areas of the syllabus may be tested over time.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space

restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permitteds](https://www.icaew.com/permitteds).

ETHICS AND PROFESSIONAL SCEPTICISM

Ethics and business trust is ingrained throughout the Case Study material. The case study will expect candidates to identify and evaluate a range of considerations, including social, environmental and business sustainability. Analysis of the skills assessed that follows shows that candidates are required both to identify and to evaluate ethical issues and dimensions. Recommendations will necessarily only be valid if they satisfy the same rigour and principles. Professional scepticism will be an underlying requirement within the complex scenarios that the Case Study presents. It must be applied being mindful of provenance and recognising the potential for bias.

SUSTAINABILITY

A sustainable mindset must be embedded within the strategic business awareness that students will be demonstrating at Advanced Level. Students will be required to use greater judgement to determine the appropriate solution in scenarios with a range of technical assumptions or in considering conflicts between business and sustainability objectives. This requires evaluation of alternatives and understanding the sustainability impacts of recommendations made in relation to other areas of the syllabus. Students will need to demonstrate the ability to use their business skills to analyse how to make the new sustainable economy work for their business and the public interest.

PREPARATION AND APPROACH TO THE CASE

The Case Study is designed to reproduce a typical situation in which ICAEW chartered accountants find themselves. This will involve using information communicated in documents from a variety of business and professional advisors and stakeholders. The situation will generally relate to a business proposal, decision

or situation and will require preparation for the submission of a report.

The reality of such situations is that in drafting a report you would:

- receive some materials in advance;
- carry out some work beforehand and make use of it in the report;
- include additional analysis in appendices to the report;
- develop additional lines of enquiry as you assemble the report; and
- expect to discuss and advise on relevant matters.

The limited class time available with a tutor, even when supplemented by extensive home study, is insufficient for success in the Case Study. Students must bring work experience into their preparation and development programme.

Success at the Case Study requires an integration of the technical knowledge and skills acquired from all of the ACA modules, namely:

- the core technical knowledge and skills and practical application acquired at the Certificate and Professional levels;
- the technical, analytical, evaluative and integration skills from Corporate Reporting and Strategic Business Management; and
- the advisory, judgemental and communication skills acquired through practical work experience undertaken during the training agreement.

SKILLS ASSESSED

ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none">• Demonstrate understanding of the business context.• Identify and understand the requirements.• Recognise new and complex ideas within a scenario.• Identify the needs of customers and clients.• Explain different stakeholder perspectives and interests.• Identify risks within a scenario.• Identify elements of uncertainty within a scenario.• Identify ethical issues including public interest issues such as environmental, social and business sustainability within a scenario.	<ul style="list-style-type: none">• Interpret information provided in various formats.• Evaluate the relevance of information provided.• Use multiple information sources.• Filter information provided to identify critical facts.	<ul style="list-style-type: none">• Identify business and financial issues from a scenario.• Prioritise key issues.• Work effectively within time constraints.• Operate to a brief in a given scenario.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- use the Advance Information, exam, knowledge of ethical codes and professional experience to define the specific issue/situation;
- identify and use the key financial figures from the Advance Information and exam, which may be provided in spreadsheets;
- use their own understanding of context and relevant findings from their own research;
- describe the wider context in which the business operates;
- identify relevant business issues showing:
 - understanding of a business entity
 - understanding of its position in the industry sector;
- recognise where a business is in its life cycle;
- identify any important parameters affecting an issue (eg, competitors, loss of clients, impact of technology); and
- demonstrate an awareness of ethical and business trust, environmental, social and business sustainability issues and situations.

STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none">• Structure information from various sources into suitable formats for analysis.• Identify any information gaps.• Frame questions to clarify information.• Use a range of data types and sources to inform analysis and decision making.• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.• Present analysis in accordance with instructions and criteria.	<ul style="list-style-type: none">• Identify and apply relevant technical knowledge and skills to analyse a specific problem.• Use structured information to identify evidence-based solutions.• Identify creative and pragmatic solutions in a business environment.• Identify opportunities to add value.• Identify and anticipate problems that may result from a decision.• Identify a range of possible solutions based on analysis.• Identify ethical dimensions of possible solutions.• Select appropriate courses of action using an ethical framework.• Define objectives and acceptance criteria for solutions.• Identify the solution which is the best fit with acceptance criteria and objectives.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- identify and use key information;
- demonstrate technical knowledge;
- use professional experience;
- use relevant strategic analytical tools (SWOT, PESTLE, Porter's five forces);
- perform relevant analysis;
- produce quality analysis showing:
 - depth
 - breadth
 - logic
 - reasonableness;
- use knowledge of ethical codes and professional experience to perform relevant analysis; and
- assess issues of business trust, environmental, social and business sustainability.

Financial statement analysis:

- use appropriate analytical tools on information and data provided in the Advance Information and exam, including in spreadsheets, to measure financial performance, identify trends and make comparisons;
- perform relevant analysis on:
 - financial statements
 - other information;
- make specific adjustments to align equivalent financial information for different factors;
- assess the causes and effects of both financial and non-financial factors on the business;
- assess the effect of external factors on business activities and financial results; and
- integrate numbers and words.

Financial data analysis:

- prepare and explain relevant calculations based on financial information provided in the Advance Information and exam, including in spreadsheets;
- use appropriate analytical tools (eg, valuation methodologies) and statistical techniques;
- perform relevant analysis on:
 - numerical data
 - other information;
- determine specific outcomes from financial and non-financial information provided;
- comment on assumptions provided;
- consider and calculate possible alternative outcomes (flexing numbers, sensitivity analysis, scenario building, financial modelling); and
- integrate numbers and words.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none">• Recognise bias and varying quality in data and evidence.• Identify faults in arguments.• Identify gaps in evidence.• Identify inconsistencies and contradictory information.• Assess interaction of information from different sources.• Exercise ethical judgement.	<ul style="list-style-type: none">• Appreciate when more expert help is required, but reviewing and challenging their work where appropriate.• Identify related issues in scenarios.• Assess different stakeholder perspectives when evaluating options.• Retain an overview of the business issue or scenario.• Appraise corporate responsibility and sustainability issues.• Appraise the effects of alternative future scenarios.• Appraise ethical, public interest and regulatory issues.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- evaluate and build on implications of financial or strategic analysis or calculations;
- identify and use key financial information;
- recognise linkages;
- recognise gaps or shortcomings in the information provided;
- select and evaluate key points, such as strengths and weaknesses of a business proposal;
- question and evaluate the adequacy of any assumptions and quality of information provided;
- explain own assumptions;
- discuss output, such as pros/cons;
- demonstrate professional scepticism;
- demonstrate objectivity/balance;
- demonstrate an appreciation of more than one side/bias;
- evaluate and balance options;

- prioritise key points;
- assess weaknesses in decisions;
- reflect on the underlying analysis performed and what it means for the organisation;
- use knowledge of ethical codes and professional experience;
- identify risks and ethical issues within, and derived from, the scenario;
- identify key ethical issues for an accountant undertaking work in accounting, finance and assurance; and
- evaluate any specific business trust points relating to the issue under review.

CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none"> • Apply technical knowledge to support reasoning and conclusions. • Apply professional experience and evidence to support reasoning. • Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations. 	<ul style="list-style-type: none"> • Present recommendations in accordance with instructions and defined criteria. • Make recommendations in situations where risks and uncertainty exist. • Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence. • Make evidence-based recommendations which can be justified by reference to supporting data and other information. • Develop recommendations which combine different technical skills in a practical situation. 	<ul style="list-style-type: none"> • Present analysis and recommendations in accordance with instructions. • Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient • Prepare the advice, report, or notes required in a clear and concise style.

HOW SKILLS ARE ASSESSED:

Students may be required to:

- draw conclusions, make recommendations and reach decisions based on their foregoing work and relevant to the organisation as described in the business scenario;
- draw conclusions that:
 - are realistic;
 - flow from the analytical work and evaluation previously conducted;
 - include the impact of any assumptions and any sensitivity analysis;
 - form an opinion on the validity of information sources; and
 - conclude on ethical issues.
- offer clear, practical, and commercial advice and recommendations that:
 - follow logically from the analytical work, evaluations and conclusions;
 - are backed up by reasoned argument;
 - are realistic;

- help to improve the situation or mitigate any problems or uncertainties identified within the context of the business scenario and wider context;
 - lie within the range of current business activity;
 - identify any significant positive points or areas of concern relating to any decision(s) reached;
 - identify any financial implications of action (or no action);
 - identify additional work needed to support the decision(s);
 - identify the next steps that the client should take to progress or reject an issue;
 - identify where any specific additional advice may be required; and
 - resolve any identified ethical dilemmas or issues of business trust.
-

Technical knowledge

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ACA syllabus by module.

For each individual standard the level of knowledge required in the relevant Certificate and Professional Level module and at the Advanced Level is shown.

The knowledge levels are defined as follows:

LEVEL D

An awareness of the scope of the standard.

LEVEL C

A general knowledge with a basic understanding of the subject matter and training in its application thereof sufficient to identify significant issues and evaluate their potential implications or impact.

LEVEL B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

LEVEL A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by chartered accountants.

KEY TO OTHER SYMBOLS:

→ The knowledge level reached is assumed to be continued

Assurance and Audit

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
The International Auditing and Assurance Standards Board		D	C
The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board		C	A
The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board			A
FRC Scope and Authority of Audit and Assurance Pronouncements (March 2023)	B	A	→
Discussion Papers			C
Working Procedures			C
International Standards on Quality Management (ISQMs) (UK)			
Quality Management For Firms That Perform Audits Or Reviews Of Financial Statements, Or Other Assurance Or Related Services Engagements (Updated March 2023)		C	B
Engagement Quality Reviews (Updated March 2023)		C	B
International Standards on Auditing (UK)			
200 (Revised June 2016) (Updated May 2022) <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)</i>	B	A	→
210 (Revised June 2016) (Updated May 2022) <i>Agreeing the Terms of Audit Engagements</i>		B	→
220 (Revised July 2021) <i>Quality Management for an Audit of Financial Statements</i>		B	→
230 (Revised June 2016) (Updated May 2022) <i>Audit Documentation</i>	C	B	A
240 (Revised May 2021) (Updated May 2022) <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	C	B	A
250 Section A (Revised November 2019) (Updated May 2022) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>		B	A
250 Section B (Revised November 2019) <i>The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector</i>			C
260 (Revised November 2019) (Updated May 2022) <i>Communication with Those Charged with Governance</i>		B	A
265 (Updated May 2022) <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>		B	A
300 (Revised June 2016) (Updated May 2022) <i>Planning an Audit of Financial Statements</i>	B	A	→
315 (Revised July 2020) <i>Identifying and Assessing the Risks of Material Misstatement</i>	B	A	→
320 (Revised June 2016) (Updated May 2022) <i>Materiality in Planning and Performing an Audit</i>	C	A	→
330 (Revised July 2017) (Updated May 2022) <i>The Auditor's Responses to Assessed Risks</i>	C	B	A
402 (Updated May 2022) <i>Audit Considerations Relating to an Entity Using a Service Organization</i>		C	B
450 (Revised June 2016) (Updated May 2022) <i>Evaluation of Misstatements Identified During the Audit</i>	C	A	
500 (Updated May 2022) <i>Audit Evidence</i>	B	A	→
501 (Updated May 2022) <i>Audit Evidence - Specific Considerations for Selected Items</i>		B	A
505 (Updated October 2023) <i>External Confirmations</i>	B	B	A
510 (Revised June 2016) <i>Initial Audit Engagements - Opening Balances</i>	C	B	A
520 (Updated May 2022) <i>Analytical Procedures</i>	B	A	A

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
530 (Updated May 2022) <i>Audit Sampling</i>	B	B	A
540 (Revised December 2018) (Updated May 2022) <i>Auditing Accounting Estimates, and Related Disclosures</i>	C	B	A
550 (Updated May 2022) <i>Related Parties</i>	C	B	A
560 <i>Subsequent Events</i>		B	A
570 (Revised September 2019) (Updated May 2022) <i>Going Concern</i>		A	→
580 (Updated May 2022) <i>Written Representations</i>	C	B	A
600 (Revised September 2022) <i>Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors)</i>		C	A
610 (Revised June 2013) (Updated May 2022) <i>Using the Work of Internal Auditors</i>	C	B	A
620 (Revised November 2019) (Updated May 2022) <i>Using the Work of an Auditor's Expert</i>		B	A
700 (Revised November 2019) (Updated May 2022) <i>Forming an Opinion and Reporting on Financial Statements</i>	B	A	→
701 (Revised November 2019) (Updated May 2022) <i>Communicating Key Audit Matters in the Independent Auditor's Report</i>		B	A
705 (Revised June 2016) <i>Modifications to the Opinion in the Independent Auditor's Report</i>		A	→
706 (Revised June 2016) <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i>		A	→
710 <i>Comparative Information - Corresponding Figures and Comparative Financial Statements</i>		B	A
720 (Revised November 2019) (Updated May 2022) <i>The Auditor's Responsibility Relating to Other Information</i>		B	A
800 (Revised) <i>Special Considerations - Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks</i>		C	A
805 (Revised) <i>Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>		C	A
International Standards on Assurance Engagements (ISAEs) (UK)			
3000 (July 2020) <i>Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information</i>		C	B
International Standards on Auditing			
810 (Revised) <i>Engagements to Report on Summary Financial Statements</i>			B
International Auditing Practice Note (IAPN)			
1000 <i>Special Considerations in Auditing Financial Instruments</i>			B
International Standards on Review Engagements (ISREs)			
2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>		C	B
International Standards on Review Engagements (UK)			
2410 (Revised May 2021) <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>		C	B
International Standards on Assurance Engagements (ISAEs)			
3400 <i>The Examination of Prospective Financial Information</i>		C	A
3402 <i>Assurance Reports on Controls at a Service Organisation</i>		C	B
3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>		C	→
International Standards on Related Services (ISRSs)			
4400 <i>Agreed-upon Procedures Engagements (Revised)</i>			B
4410 <i>Compilation Engagements (Revised)</i>			B
Other Guidance			
Bulletin (August 2021): <i>Illustrative Auditor's Reports on UK Private Sector Financial Statements</i>		B	B

Business and Finance

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
STRATEGIC ANALYSIS					
Industry and market analysis tools					
PESTEL analysis		C		A	→
Porter's five forces		C		A	→
Product life cycle		C		A	→
Boston consulting group matrix		C		A	→
Prices and markets		C		A	→
Competitor analysis		C		A	→
Positional and other analysis tools					
Resource audit		C		A	→
Resource-based strategy		C		A	→
Value chain analysis		C		A	→
SWOT analysis		C		A	→
Gap analysis		C		A	→
Marketing analysis		C		A	→
Competitive advantage		C		A	→
Benchmarking		C		A	→
Directional policy matrix					B
Business process analysis				B	A
Strategic risk analysis				A	→
Balanced scorecard		C		A	→
STRATEGIC CHOICE					
Strategy formulation, evaluation and choice		C		A	→
Business risk management		C		A	→
Financial analysis and data analysis				A	→
Stakeholder analysis		C		A	→
Objectives and stakeholders' preferences		C		A	→
STRATEGIC IMPLEMENTATION					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
BUSINESS MANAGEMENT					
Performance management				C	A
Strategic marketing and brand management				B	A
Corporate governance		C		B	A
Information strategy				B	A
Human resource management		C		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

COST ANALYSIS FOR DECISION MAKING

Costing

Cost classification	A			→	→
Costing systems - direct, marginal, absorption	B			→	→
Activity based costing (ABC)	C			→	B
Break even analysis	B			→	A
Multi-product break even analysis					B
Budgeting and performance management	B			→	A

Pricing

Pricing decisions	B			A	→
Transfer pricing	B			A	→

Decision making techniques

Expected values				B	A
Relevant cash flows				B	A
Sensitivity analysis				B	A

BUSINESS AND SHAREHOLDER VALUE

Valuation Techniques

Income - dividend yield			B		A
Income - P/E			B		A
Income - discounted cash flow			B		A
Asset based measures			B		A
Options approach					B

Shareholder value

Value based management (VBM)					B
Value drivers			B		A
Shareholder value analysis (SVA)			B		A
Short and long term growth rates and terminal values					A
Economic profit					A
Cash flow return on investment (CFROI)					A
Total shareholder return (TSR)					A
Market value added (MVA)					A

INVESTMENT APPRAISAL AND RISK ANALYSIS

Project appraisal

NPV	B		A		→
IRR	B		A		→
MIRR					A
Payback	B		A		→
Relevant cash flows			A		→
Tax and inflation			A		→
Replacement analysis			A		→
Capital rationing			A		→
Adjusted present value (APV)			A		→

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

Assessing risk

Project appraisal and risk			B		A
Expected values		C	B		A
Scenario planning					A
Gap analysis				B	→
Continuous vs event risk				B	→

FINANCIAL ANALYSIS

Cost of capital

Cost of equity			B		A
Cost of debt			B		A
Cost of preference shares			B		A
Cost of bank loans			B		A
Weighted average cost of capital (WACC)			B		A
Effective interest rates					A
Splitting convertibles into equity and debt elements					A
Equity instruments					A

Portfolio theory and CAPM

Portfolio theory			B		A
CAPM			B		A
Asset pricing models					B
CAPM and cost of capital			B		A
International cost of capital					A

Bonds and fixed interest securities

Bond pricing			B		A
Yields to maturity			B		A
Duration and price volatility					A
Convexity					A
Term structure of interest rates					A
Corporate borrowing and default risk					A

Data analytics

Spreadsheet functions (per published list)			A	A	A
Sensitivity analysis			B	B	A
Scenario analysis			B	B	A
Data distributions		C	B	B	A
Data bias		B	A	A	A
Data visualisation		C		B	B

Quantitative methods

Standard deviation		C	C	C	B
Co-efficient of variation		C	C	C	B
Probabilities			B	B	A
Correlation			C	C	B
Z-score					B
Confidence intervals					B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

SOURCES OF FINANCE AND FINANCING ARRANGEMENTS

Short, medium and long term sources of finance		C			A
Green finance		C	B		A
Loan agreement conditions (warranties; covenants; guarantees)			B		A
Raising capital		C			A
Gearing and capital structure			A		→
Loan agreements and covenants			A		→
Dividend policy			A		→
Financing reconstructions (eg, group reconstruction, spin off, purchase of own shares, use of distributable profits)			B		A
Treasury and working capital management	C				A
Small and medium company financing					B
History of finance					C

FINANCIAL ENGINEERING

Futures, options and swaps

Options			B		A
Interest rate futures			B		A
Interest rate options			B		A
Interest forward rate agreements (FRAs)			B		A
Interest rate swaps			B		A
Commodity derivatives					A
Hedging			B		A

Foreign exchange

Currency forward contracts			B		A
Currency money market cover			B		A
Currency options			B		A
Currency swaps			B		A
Managing currency risk			B		A
Determinants of foreign exchange rates			B		A

Option value

Valuing call and put options			C		B
Black Scholes option pricing model					B
Binomial option pricing model					B
Real options			C		B

SUSTAINABILITY IN BUSINESS AND FINANCE

Types of sustainability (environmental, social, economic)	C	C	C	A	A
ESG	C	C	B	A	A
Corporate responsibility, sustainability and climate change		C		B	A
Green finance		C	B		A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
Measurement and metrics in sustainability	C			B	A
Reporting on sustainability (mandatory and non-mandatory)					A
Risk management and sustainability			C		A
Regulation of sustainability					B
Sustainability and ethics			B	B	A

Ethics Codes and Standards

ETHICS CODES AND STANDARDS	LEVEL	MODULES
<p>IESBA International Code of Ethics for Professional Accountants (Revised September 2023) (parts 1, 2 and 3 and Glossary)</p> <p>ICAEW Code of Ethics (effective from 1 January 2020)</p>	Certificate Level	
	C/D	Accounting
	B	Assurance
	C/D	Business, Technology and Finance
	D	Law
	C	Management Information
	C	Principles of Taxation
	Professional Level	
	A	Audit and Assurance
	B	Business Strategy and Technology
	B	Financial Accounting and Reporting
	B/C	Financial Management
	B	Tax Compliance
	B	Business Planning
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
A	Case Study	
<p>FRC Revised Ethical Standard (December 2019) and Erratum (January 2020) and Glossary of Terms - Ethics and Auditing (Updated December 2019)</p>	B	Assurance
	A	Audit and Assurance
	Advanced Level	
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study

Financial Reporting - IFRS

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
Preface to International Financial Reporting Standards		A	A
Conceptual Framework for Financial Reporting	B	A	A
IAS 1, <i>Presentation of Financial Statements</i>	A	A	A
IAS 2, <i>Inventories</i>	B	A	A
IAS 7, <i>Statement of Cash Flows</i>	B	A	A
IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	B	B	A
IAS 10, <i>Events after the Reporting Period</i>		A	A
IAS 12, <i>Income Taxes</i>		C	A
IAS 16, <i>Property, Plant and Equipment</i>	B	A	A
IAS 19, <i>Employee Benefits</i>		-	A
IAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>		A	A
IAS 21, <i>The Effects of Changes in Foreign Exchange Rates</i>		C	A
IAS 23, <i>Borrowing Costs</i>		A	A
IAS 24, <i>Related Party Disclosures</i>		B	A
IAS 26, <i>Accounting and Reporting by Retirement Benefit Plans</i>		-	D
IAS 27, <i>Separate Financial Statements</i>		B	A
IAS 28, <i>Investments in Associates and Joint Ventures</i>		B	A
IAS 29, <i>Financial Reporting in Hyperinflationary Economics</i>		-	D
IAS 32, <i>Financial Instruments: Presentation</i>		B	A
IAS 33, <i>Earnings Per Share</i>		C	A
IAS 34, <i>Interim Financial Reporting</i>		-	A
IAS 36, <i>Impairment of Assets</i>	C	B	A
IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	C	A	A
IAS 38, <i>Intangible Assets</i>	C	A	A
IAS 39, <i>Financial Instruments: Recognition and Measurement (Hedging only)</i> (Note 1)		-	A
IAS 40, <i>Investment Property</i> (Note 1)		-	A
IAS 41, <i>Agriculture</i>		-	D
IFRS 1, <i>First-time Adoption of IFRS</i>		-	C
IFRS 2, <i>Share-based Payment</i>		-	A
IFRS 3, <i>Business Combinations</i>		B	A
IFRS 4, <i>Insurance Contracts</i> (Note 1)		-	D
IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>		B	A
IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>		-	D
IFRS 7, <i>Financial Instruments: Disclosures</i>		C	A
IFRS 8, <i>Operating Segments</i>		-	A
IFRS 9, <i>Financial Instruments</i> (Note 1)		C	A
IFRS 10, <i>Consolidated Financial Statements</i>		B	A
IFRS 11, <i>Joint Arrangements</i>		B	A
IFRS 12, <i>Disclosure of Interests in Other Entities</i>		B	A
IFRS 13, <i>Fair Value Measurement</i>		C	A
IFRS 14, <i>Regulatory Deferral Accounts</i>		-	C

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
IFRS 15, <i>Revenue from Contracts with Customers</i>	C	B	A
IFRS 16, <i>Leases</i>	D	B	A
IFRS 17, <i>Insurance Contracts</i> (Note 1)		-	C
IFRS for SMEs		-	A
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	D	C	A
IFRS S2 Climate-related Disclosures	D	C	A

Note 1: Business Planning Banking and Business Planning: Insurance cover IAS 39 and IFRS 9 in more detail than in the Financial Accounting and Reporting syllabus at Professional Level. Business Planning: Insurance also covers IFRS 4, IFRS 17 and IAS 40 which are not part of the Financial Accounting and Reporting syllabus at Professional Level.

Taxation

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION

LEGAL AND ETHICAL FRAMEWORK

Anti-money laundering and counter terrorist financing guidance	C	B	A
Base erosion and profit-shifting (BEPS) project			C
Devolution of taxes		C	C
Disclosure of tax avoidance schemes (DOTAS)			A
General anti-abuse rule (GAAR)		C	A
HMRC	B	→	→
Objectives of taxation	C	→	→
Professional Conduct in Relation to Taxation (PCRT)		B	B
Tax planning, evasion and avoidance	C	B	A

ADMINISTRATION

Administration	B	A	→
Appeals	C	→	→
Apprenticeship levy		B	→
Digital accounts and digital record keeping	B	→	→
PAYE/NIC	B	A	→
Payments	B	A	→
Penalties and interest	B	→	→
Self-assessment	B	A	→

CAPITAL GAINS TAX

Chargeable gains			
Annual exempt amount	B	A	→
Capital gains tax for trusts			C
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Connected persons		A	→
Converted trading losses		B	→
Costs of acquisition and disposal	C	B	→
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Qualifying corporate bonds		B	→
Rate of tax	B	A	→
Relief for capital losses		A	A
Reorganisations and reconstructions			A
Shares and securities (including bonus and rights issues)		B	→

Chargeable gains reliefs

Business asset disposal relief		B	A
Gift relief		B	A
Incorporation relief			A
Investors' relief		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Letting relief		A	→
Private residence relief		A	B
Reinvestment relief under EIS/SEIS			B
Roll-over relief		B	A
Overseas aspects of capital gains tax			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Gains on foreign assets		B	A
Remittance basis		B	A
Residence		C	A
Temporary absence			A
UK taxation of non-domiciled individuals		B	A
INCOME TAX			
Trading profits			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Cash basis of accounting	B	A	→
Foreign currency transactions			A
Pension contributions		A	→
Pre-trading expenditure		A	→
Patent royalties			B
Unincorporated businesses			
Basis of assessment	B	A	→
Partnerships	B	A	→
Trading losses		A	→
Treatment of terminal losses		A	→
Employment income			
Allowable deductions against employment income		A	→
Employment income	B	A	→
Share schemes			A
Statutory Mileage Rates Scheme		A	→
Taxable and exempt benefits	B	A	→
Termination payments			B
Other income/expenditure			
Dividends from UK companies	B	A	→
Enterprise Investment Scheme			B
Investment income	B	A	→
ISAs	B	→	→
Miscellaneous income		A	→
Property income	C	B	A
Savings income	B	A	→
Seed Enterprise Investment Scheme			B
Venture Capital Trusts			B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION

Overseas aspects of income tax

Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Income on foreign assets and income from foreign employment		B	A
Remittance basis		B	A
Residence		B	A
UK taxation of non-domiciled individuals		B	A

Income tax computation

Exempt income	B	A	→
Gifts of assets and cash to charity	B	A	→
Income tax liability and income tax payable	B	A	→
Income tax charge on child benefit		B	→
Independent taxation and jointly owned assets		B	A
Income tax for trusts			C
Limit on income tax reliefs		A	→
Marriage allowance	B	A	→
Pension contributions - provisions for retirement		B	A
Pension contributions - tax reliefs		B	A
Personal allowances	B	A	→
Qualifying interest payments		B	→
Rates of taxation	B	A	→
Taxable persons	C	A	→

INHERITANCE TAX

Fundamental principles of inheritance tax

Chargeable persons		A	→
Chargeable property		A	→
Excluded property		B	→
Inter-spouse transfers		A	→
Rates of taxation		A	→
Related property		B	→
Seven-year accumulation period		A	→
Transfers of value		A	→
Trusts		C	→
Valuation		A	→
Inheritance tax on lifetime transfers			
Relevant property trusts		A	→
Potentially exempt transfers		A	→

Inheritance tax on death

Death estate		A	→
Deeds of variation			B
Lifetime transfers		A	→

Overseas aspects of inheritance tax

Deemed domicile		C	A
Domicile		C	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Double tax relief		A	→
Lex-situs rules		A	→
Reliefs and exemptions from inheritance tax			
Annual exemption		A	→
Business property relief		B	A
Fall in value relief		A	→
Gifts to charities and political parties		A	→
Gifts with reservation of benefit			A
Pre-owned assets tax charge			A
Inter-spouse transfers		A	→
Marriage/civil partnership exemption		A	→
Normal expenditure out of income		A	→
Quick succession relief		B	→
Small gifts exemption		A	→
Taper relief		A	→
NATIONAL INSURANCE CONTRIBUTIONS			
Class 1			
- calculation	A	→	→
- directors		B	→
- earnings	C	B	→
- employment allowance	A	→	→
Class 1A			
- calculation	A	→	→
- earnings	C	B	→
Class 1B		B	→
Class 4			
- calculation	A	→	→
- earnings	C	B	→
Maximum contributions		C	→
CORPORATION TAX			
Chargeable gains			
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Costs of acquisition and disposal	C	B	→
Indexation		A	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Purchase of own shares			A
Qualifying corporate bonds		B	→
Relief for capital losses		A	→
Reorganisations and reconstructions			A
Rollover relief		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Shares and securities (including bonus and rights issues)		B	→
Substantial shareholding exemption		C	A
Trading profits			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances - plant and machinery	B	A	→
Capital allowances - structures and buildings		A	→
Foreign currency transactions			A
Long periods of account	C	A	→
Pension contributions		B	→
Patent royalties			B
Taxable total profits			
Chargeable gains	B	A	→
Intangible fixed assets		-	B
Loan relationships	B	B	A
Loan relationships - corporate interest restriction			A
Miscellaneous income	B	A	→
Property income (excluding lease premiums)		B	A
Qualifying donations	B	A	→
Research and development expenditure		A	→
Trading losses - post April 2017		B	A
Trading profits	B	A	→
Use of deficit on non-trading loan relationships - post April 2017		B	A
Corporation tax computation			
Accounting periods	C	B	A
Close companies			A
Corporation tax liability	B	A	→
Distributions		B	→
Diverted profits tax			B
Double tax relief (including underlying tax and withholding tax)		B	→
Liquidation			A
Provision of services through a company			A
Rates of taxation	B	A	→
Residence	C	B	→
Tax treaties and the OECD Model Tax Convention			C
Groups			
Capital gains groups		B	A
Change in group structure			A
Change in ownership			A
Consortium relief			B
Controlled foreign companies			A
Degrouping charges		B	A
Group loss relief		B	A
Group relationships		A	→
Non-coterminous accounting periods			A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Overseas companies and branches			B
Pre-acquisition gains and losses			A
Related 51% group companies		B	A
Roll-over relief		B	A
Transfer of assets		B	A
Transfer pricing			A

STAMP TAXES

Basic principles		B	→
Chargeable occasions		B	→
Exemptions		B	→
Stamp taxes for groups		B	→
Annual tax on enveloped dwellings (ATED)			C

VAT

Capitals goods scheme		B	→
Classification of supplies		B	→
Distinction between goods and services		C	→
Overseas aspects		A	→
Group aspects		A	→
Input VAT	A	→	→
Output VAT	A	→	→
Partial exemption		B	→
Payments	A	→	→
Penalties and interest	A	→	→
Property transactions		B	A
Registration and deregistration	A	→	→
Single and multiple supplies		B	→
Small business reliefs	A	→	→
Taxable person	A	→	→
Taxable supplies	A	→	→
Transfer of a business as a going concern			A
VAT records, accounts and digital reporting	A	→	→