

# The Institute of Chartered Accountants of Bangladesh (ICAB)

## Syllabus for ICAB Advanced Stage



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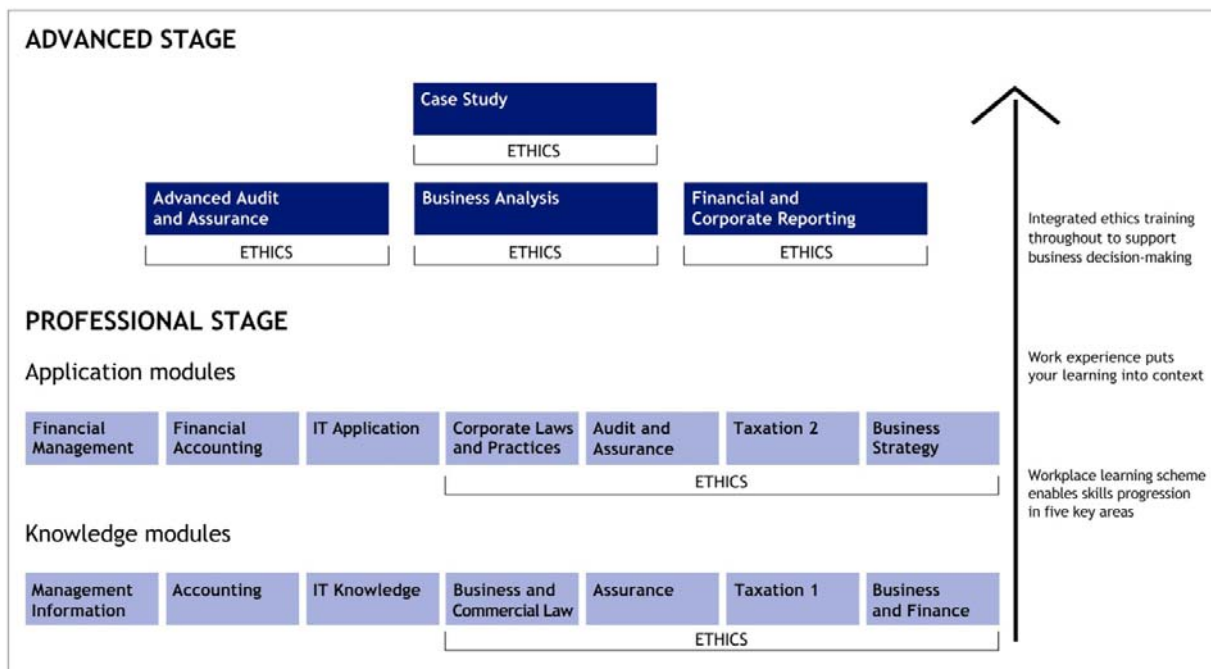


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# CA Advanced Stage Syllabus

## CA Overview



### The CA qualification

#### Aim

The CA qualification aims to ensure all newly qualified chartered accountants have the technical and professional skills to begin their career and from which to build their ongoing professional development.

#### Structure

The syllabus has been designed to develop core technical, commercial, and ethical skills and knowledge in a structured manner. Progression through the CA modules, in combination with integrated and monitored work experience, will equip and prepare students for the final test of professional competence, the multi-disciplinary case study examination.

The diagram above shows the fourteen modules at the Professional Stage, where the focus is on the acquisition and application of technical skills and knowledge, and the Advanced Stage which comprises three technical modules and the case study.

Ethics is embedded throughout the qualification and there are specific learning outcomes included in a number of the modules. The syllabus has been designed to ensure students understand the fundamental principles of ethics, can apply relevant ethical guidance and are able to recommend actions to resolve ethical issues.

# Advanced Stage

## Aim

The Advanced Stage of the CA qualification is designed to ensure that students are able to apply their technical, professional and ethical skills in a variety of business environments.

The Advanced Stage has been constructed with the following aims:

- to ensure that students are able to identify and evaluate a broad range of business issues and communicate appropriate advice
- to provide a greater focus on the provision of technical advice, whilst ensuring that the business implications of the advice given are understood
- to ensure the application of professional and ethical skills as well as technical knowledge
- to improve financial and business analysis skills
- to modernise the CA qualification to reflect important emerging issues
- to ensure that business topics and the associated technical content covered in each of the modules are clear.

## Structure and progression

There are four Advanced Stage modules: the case study and three underpinning technical modules. The three technical modules are Financial & Corporate Reporting, Advanced Audit & Assurance and Business Analysis.

The Professional Stage consists of knowledge modules and application modules. The Knowledge modules introduce the core technical knowledge and skills required by a chartered accountant. The application modules further develop and assess practical application of technical knowledge and skills.

The technical knowledge acquired at the Professional Stage is developed to a high level in the Advanced Stage modules. The application of technical knowledge in these modules requires an appreciation of the typical issues and problems facing businesses and their relationship to corporate reporting, assurance and taxation. A greater depth of business and financial analysis will be required to understand the implications and risks arising from the business issues.

New technical topics are introduced in the Advanced Stage modules, reflecting students' greater financial and business awareness and their emerging proficiency and ability to integrate knowledge and skills both within and across technical subjects. Students will be required to use more complex financial instruments in business finance and risk management for example.

Students will also be required to apply professional skills in the Advanced Stage modules. These professional skills are then examined to a greater extent in the final CA module: the case study. This module requires higher level cognitive, analytical and evaluative skills. **The table on page 7 identifies the skills progression through the CA qualification.**

## Syllabus

This document presents the high level learning outcomes for the three technical modules and sets out the skills requirements for the case study. The appendix contains details of the technical knowledge required for the Advanced Stage.

## Assessment

The three technical modules will be examined using traditional paper based assessments. Each paper based exam will be 3 hours in length.

The Case Study will consist of a 4 hour written examination where candidates will be expected to respond to the scenario in the case from all technical perspectives, including taxation.

## Flexibility

There are no regulations stipulating the order in which students must attempt the technical modules; however it would benefit students if they ensured that they studied the Financial & Corporate Reporting before they attempted the Advanced Audit & Assurance assessment. The case study must be the final module attempted.

Students will be permitted a maximum of six attempts at each Advanced Stage module.

## Open Book Policy

Students may take any written or printed material into the exam hall subject to practical space restrictions.

## The Link to Work Experience

The work experience requirements for students provide a framework to develop appropriate work experience, completion of which is essential in order to qualify for membership. Work experience is also an essential component for examination preparation.

The work experience framework is built around five key skills:

- Business awareness – being aware of the internal and external issues and pressure for change facing an organisation and assessing an organisation's performance.
- Technical and functional expertise – applying syllabus learning outcomes and, where appropriate, further technical knowledge to real situations.
- Ethics and professionalism – recognising issues, using knowledge and experience to assess implications, making confident decisions and recommendations.
- Professional judgement – making recommendations and adding value with appropriate, targeted and relevant solutions.
- Personal effectiveness – developing, maintaining and exercising skills and personal attributes necessary for the individual's role and responsibilities.

The examinations, and in particular the Advanced Stage, embrace all of these skills.

This will help students see that their practical knowledge and skills gained in the workplace feed back into the exam room and vice-versa.

The message is clear – students should use the work experience framework to ensure success in exam performance and success in their workplace performance.

• **Skills Progression through the CA Qualification**

<b>Professional Stage</b>		<b>Advanced Stage</b>	
<i>Knowledge modules</i>	<i>Application modules</i>	<i>Advanced Stage modules</i>	<i>Case Study</i>
<u>Core technical knowledge and skills</u>	<u>Technical knowledge and skills and practical application</u>	<u>Technical skills applied in straightforward scenarios</u>	<u>Analytical and higher skills applied in complex scenarios</u>
<ul style="list-style-type: none"> <li>• Understanding the required data or information as given</li> <li>• Recognition of the technical or professional issue based on knowledge learned</li> <li>• Performing the required calculations</li> <li>• Identifying the best explanation</li> <li>• Identifying the best solution or steps</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding the requirement</li> <li>• Understanding the straightforward scenario and issues</li> <li>• Limited analysis of data and information to support the requirement</li> <li>• Drawing upon technical and professional knowledge learned</li> <li>• Explaining, listing, drafting or stating briefly the issues or solution</li> <li>• Preparing, describing, outlining the advice, report, notes required</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying technical issues and business implications</li> <li>• Analysis of requirements, data and situation</li> <li>• Application of technical rules, models and techniques</li> <li>• Identification of risks and ethical issues</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of business and technical issues</li> <li>• Application of technical knowledge to identified issues</li> <li>• Understanding of the relevance of data and information</li> <li>• Selection of appropriate analytical tools</li> <li>• Analysis and evaluation of requirements, situation and data</li> <li>• Selection of technical options and solutions</li> <li>• Communication of opinions, reservations, advice, recommendations, plans, solutions, options and risks</li> </ul>
		<u>Communication and articulation skills (applied progressively in more complex situations)</u>	
		<ul style="list-style-type: none"> <li>• Structure, conciseness and clarity in presentation of data and written work</li> <li>• Integration and positioning of data within and alongside written work</li> <li>• Tact in presentation</li> <li>• Objectivity in presentation</li> <li>• Suitability of format and language</li> </ul>	

# Financial & Corporate Reporting - 100 Marks

## Module aim

To enable students to prepare and present extracts from financial statements, including accounting policies, for entities undertaking a wide range of accounting transactions, and to conduct financial analysis.

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

- explain the current issues in the regulatory framework for reporting and identify key ethical issues for an accountant undertaking work in accounting and reporting
- prepare and present extracts from the single entity and consolidated financial statements for entities undertaking a wide range of accounting transactions in conformity with BFRS and accounting policies
- analyse and interpret financial statements and other financial information and draw appropriate conclusions
- formulate accounting and reporting policies for single entities and groups.

This module builds on the skills acquired in the Financial Accounting module.

## 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 equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

	Weighting (%)
1 Current issues in the reporting framework	10
2 Preparation and presentation of extracts from financial statements	35
3 Analysis and interpretation of financial information	30
4 Formulation of accounting and reporting policies	25

The following should be read in conjunction with the Financial Reporting table in Appendix 1.

### *1 Current issues in the reporting framework*

**Candidates will be able to explain the current issues in the regulatory framework for reporting and identify key ethical issues for an accountant undertaking work in accounting and reporting.**

- a. Reporting framework
  - IASB Framework
  - Regulatory framework
  - Convergence process
  - Small and medium sized entities
  - Fair presentation
  - Ethical and professional issues
- b. Reporting financial performance
  - BFRS 1 First Time Adoption
  - BAS 12 Income Taxes
  - BAS 14 Segment Reporting
  - BFRS 8 Operating Segments
  - BAS 24 Related Party Disclosures
  - Other financial and operational information

### *2 Preparation and presentation of extracts from financial statements*

**Candidates will be able to prepare and present extracts from the single entity and consolidated financial statements for entities undertaking a wide range of accounting transactions in conformity with BFRS requirements and accounting policies.**

- a. Non-current assets
  - Property, plant and equipment
  - Intangible assets
  - Impairment
  - Assets and disposal groups held for sale
- b. Investment properties, government grants and borrowing costs
  - BAS 40 Investment Property
  - Government grants
  - Borrowing costs
- c. Leases
  - Lessor accounting: finance lease
  - Lessor accounting: operating lease
  - Sale and leaseback transactions
  - Operating lease incentives
  - Judgements required
  - Information for users
- d. Revenue and construction contracts
  - BAS 11 Construction Contracts
- e. Financial instruments
  - Financial instruments – introduction
  - BAS 32 Financial Instruments: Presentation
  - BAS 39 Financial Instruments: Recognition and Measurement
  - BFRS 7 Financial Instruments: Disclosures
  - Ethical and judgement issues
- f. Group financial statements
  - Control
  - Adjustment to consideration, fair values and goodwill
  - Joint ventures
  - Jointly controlled operations
  - Jointly controlled assets
  - Jointly controlled entities
  - Other areas of BAS 31
  - Judgements required and information for users
- g. Earnings per share and distributable profits
  - Context for BAS 33 Earnings per Share
  - Basic EPS – earnings calculations
  - Basic EPS – number of shares
  - Diluted EPS
  - Other measures of EPS
  - Judgements required
  - Information for users
  - Distributable profits
- h. Other standards
  - BAS 21 The Effect of Changes in Foreign Exchange Rates
  - IAS 29 Financial Reporting in Hyperinflationary Economies
  - BAS 2 Inventories
  - BAS 7 Cash Flow Statements
  - BAS 10 Events After the Balance Sheet Date
  - BAS 37 Provisions, Contingent Liabilities and Contingent Assets



### ***3 Interpretation of financial information***

**Candidates will be able to analyse and interpret financial statements and other financial information, and draw appropriate conclusions.**

- a. Financial statement analysis: introduction and ratios
  - Users and user focus
  - Accounting ratios and relationships
  - Cash flow statements and their interpretation
  
- b. Financial statement analysis: interpretation
  - Economic events
  - Business issues
  - Accounting choices
  - Ethical issues
  - Industry analysis
  - Non-financial performance measures
  - Advanced earnings measures
  - Limitations of ratios and financial statement analysis

### ***4 Formulation of accounting and reporting policies***

**Candidates will be able to formulate accounting and reporting policies for single entities and groups.**

- a. Formulation of accounting and reporting policies
  - laws, regulations, accounting standards and other requirements
  - effect of different methods of recognising and measuring assets and liabilities on financial performance
  - “fair presentation” and “true and fair view”.

# Advanced Audit & Assurance - 100 Marks

## Module aim

To build upon learning at Professional Stage in order to provide students with a deeper understanding of audit and assurance services within a wide variety of contexts.

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

- apply their knowledge of professional practice to resolve compliance and audit issues occurring in businesses
- apply their knowledge of audit approaches and techniques at a high level in many types of audit assignments
- apply their auditing knowledge to a variety of different assurance and audit activities
- employ an audit approach to fraud and to auditing in an IT environment, and to audit fair value measurements and disclosures
- apply their knowledge of auditing in a wide variety of business types, ranging in size from small businesses to multi-national groups, and be able to deal with the impact of client insolvency on the auditor.

## 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 equate to the weightings below, while slight variations may occur in individual assessments to enable suitable questions to be set.

	<b>Weighting</b> (indicative %)
1 Professional practice and ethics	25
2 The modern audit process	25
3 Other services	20
4 Audit issues	15
5 Business scenarios	15

## Abilities tested

<b>Knowledge</b>	<b>Application</b>	<b>Total</b>
30	70	100

### *1 Professional practice and ethics*

Candidates will be able to apply their knowledge of professional practice to resolve compliance and audit issues occurring in businesses.

- a. Role and context of modern auditing
  - Role of auditing
  - The audit process
  - Statutory audit requirement
  - Legal responsibilities
  - Bangladesh standards on auditing
  - Quality control
  - Documentation
- b. Ethics
  - Relevance of ethics
  - Ethical codes and standards
  - Duty to report misconduct
  - Making ethical judgements
- c. Governance
  - Relevance of corporate governance
  - Corporate governance concepts

- Code of corporate governance
- Role of the board
- Associated guidance
- OECD principles of corporate governance
- Sarbanes-Oxley
- Evaluation of corporate governance mechanisms

## **2 The modern audit process**

**Candidates will be able to apply their knowledge of audit approaches and techniques at a high level in many types of audit assignments.**

- a. Planning and risk assessment
  - The modern audit process
  - Process of planning
  - Understanding the entity
  - Business risk model
  - Audit risk model
  - Creative accounting
  - Analytical procedures
  - Materiality
  - Responding to assessed risks
  - Other audit methodologies
- b. Audit evidence
  - Risk and assertions
  - Sufficient appropriate audit evidence
  - Sources of audit confidence
  - Audit procedures
  - Analytical procedures
  - Provisions and contingencies
  - Audit of accounting estimates
  - Related parties
  - Management representations
  - Opening balances
  - Service organisations
- c. Audit completion – review and reporting
  - Review and audit completion
  - Subsequent events
  - Going concern
  - Comparatives
  - Internal reporting
  - External reporting – the audit report
  - Other reporting responsibilities

## **3 Other services**

**Candidates will be able to apply their auditing knowledge to a variety of different assurance and audit activities.**

- a. Assurance and related services
  - Assurance
  - Engagements to review financial statements
  - Due diligence
  - Reporting on prospective information
  - Agreed upon procedures
  - Engagements to compile financial information
- b. Environmental and social auditing
  - Introduction

- Social responsibility reporting
  - Implications for the statutory audit
  - Social and environmental audits
  - Implications for assurance services
- c. Internal auditing
- Role of internal audit
  - Regulation
  - Scope of internal audit
  - Internal audit assignments
  - Multi-site operations
  - Internal audit reports
  - Considering the work of internal audit: revision

#### **4 Audit issues**

**Candidates will be able to employ an audit approach to fraud and to auditing in an IT environment, and to audit fair value measurements and disclosures.**

- a. Fraud and auditor liability
- Fraud
  - Law and regulation
  - Money laundering
  - Auditor liability
- b. Auditing in an IT environment
- Information technology and risk
  - Impact on controls
  - Electronic commerce
- c. Auditing fair values
- Fair value
  - Financial instruments

#### **5 Business scenarios**

**Candidates will be able to apply their knowledge of auditing in a wide variety of business types, ranging in size from small businesses to multi-national groups, and be able to deal with the impact of client insolvency on the auditor.**

- a. Small company audits
- Management choice in forming companies
  - Risk
  - Assurance
  - Obtaining new finance
  - Reward packages
- b. Business structures and global enterprises
- Business structures
  - Group audits
  - Joint audits
  - Global enterprises
  - Audit of banks
- c. Insolvency
- Insolvency
  - The role of assurance
  - Role and liability of auditors and directors in winding up
  - Insolvency legislation

# Business Analysis - 100 Marks

## Module aim

To build upon learning at Professional Stage in order to provide students with a deeper understanding of strategic analysis, risk management, investment decisions and financial structures of businesses.

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

- apply different analysis tools to a complex scenario and understand the practical application of enterprise risk management
- analyse costs for decision making, including advanced cost reduction techniques, apply advanced investment appraisal techniques and value businesses and securities in a variety of situations
- apply their knowledge to financial structuring problems in businesses of all sizes.

## 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 equate to the weightings below, while slight variations may occur in individual assessments to enable suitable questions to be set.

	Weighting (indicative %)
1 Strategic analysis and enterprise risk management	35
2 Investment appraisal and decision making	35
3 Financial structures and international business	30

## Abilities tested

Knowledge	Application	Total
30	70	100

### *1 Strategic analysis and enterprise risk management*

Candidates will be able to apply different analysis tools to a complex scenario and understand the practical application of enterprise risk management.

- a. Strategic analysis
  - Overview of analysis tools
  - Integrating the use of analysis tools in a complex scenario
- b. Business risk management
  - A review of risk management issues
  - Enterprise risk management
  - The risk management process
  - Establishing the context
  - Risk identification
  - Risk assessment
  - Risk profiling
  - Risk quantification
  - Risk responses
  - Implementation of plans
  - Risk monitoring and control
  - Limitations of risk management plans

## **2 Investment appraisal and decision making**

**Candidates will be able to analyse costs for decision making, including advanced cost reduction techniques, apply advanced investment appraisal techniques and value businesses and securities in a variety of situations.**

- a. Cost analysis for decision making
  - Overview of cost accounting techniques
  - Multi-product break even analysis
  - Limitations of traditional management accounting techniques
  - Cost reduction
  - The supply chain
  - Business process re-engineering
  - Outsourcing
- b. Investment appraisal
  - Overview of investment appraisal techniques
  - Adjusted present value
  - Modified internal rate of return
  - Real options
  - Investment appraisal and risk
  - International investment appraisal
- c. Business and securities valuation
  - Valuation techniques
  - Company valuation: general principles
  - Valuing acquisitions
  - Valuing debt
  - Firms with product options
  - Unquoted companies
  - Other types of organisations

## **3 Financial structures and international business**

**Candidates will be able to apply their knowledge to financial structuring problems in businesses of all sizes.**

- a. Cost of capital and financial structuring
  - Overview of cost of capital, portfolio theory and CAPM
  - Bonds
  - Financial restructuring
  - Refinancing and securitisation
  - Small company finance
  - Choice of financing method
- b. Financial engineering
  - Overview of derivatives and valuation of options
  - Caps, collars and floors
  - Valuation of options
  - Interest rate hedging strategies
  - Foreign exchange risk management strategies
  - Treasury functions
  - Financing projects and assets
- c. International financial management
  - Financing international investment
  - Costs and benefits of alternative sources of finance for international investments
  - International trade – export risks and financing
  - Financing overseas expansions and acquisitions

# Case Study - 100 Marks

## Overview

The objective of the Case Study is to assess understanding of the relevance of different technical areas and the recognition of ethical issues within complex business issues and the ability to analyse financial and non-financial data. 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 use of the technical knowledge and skills acquired from all of the CA modules, namely:

- the core technical knowledge and skills and practical application acquired at the Professional Stage;
- the technical, analytical, and evaluative skills from the Advanced Stage technical modules; and
- the advisory, judgemental and communication skills acquired through practical work experience undertaken during training.

All areas of the syllabus may be tested over time.

## **Professional skills required for the case study**

Cognitive, analytical and evaluative skills

1. Identification of business, technical and ethical issues
2. Application of technical knowledge to identified issues
3. Understanding of scenario and wider business issues
4. Understanding of the relevance of data and information
5. Selection of appropriate analytical tools
6. Analysis of requirements, situation and data
7. Conclusions based on evidence, implications, assumptions and information generated

Communication and articulation skills

1. Structure in presentation of data and written work
2. Integration and positioning of data within and alongside written work
3. Tact in presentation
4. Objectivity in presentation
5. Format and language

## **Case study scenarios**

The Case Study will be designed to resemble a typical situation in which chartered accountants find themselves. The Case Study scenario may be based on any one of a variety of different organisational structures or operations and will be presented in individual, group and international contexts. Examples of possible scenarios are listed below in order to provide an understanding of the likely context in which technical knowledge and ethical awareness will be assessed.

**Scenarios relating to things that have happened or are happening within a business:**

1. Business and ethical issues including situations of business risk in the process of stakeholder communication
2. Business and ethical issues in the process of tax compliance work including situations with corporate reporting implications
3. Current taxation and corporate reporting issues for businesses
4. Undertaking controls and systems process assurance projects – including review and testing of controls and reporting to management
5. Assessment of controls including IT and E-commerce controls
6. Breaches of laws and regulations that may require forensic accounting and investigation projects to assess risk and provide management with information to decide upon appropriate actions
7. Issues of earnings management, creative accounting and aggressive earnings management
8. Businesses undertaking major projects and/or organisational or process transformation
9. Issues arising from raising finance, including issues of compilation of financial information, production of prospective financial information and implications for corporate reporting
10. Issues arising from corporate transformations and group reorganisations
11. Issues arising from international corporate expansion including situations with taxation and corporate reporting implications
12. Issues arising from use of complex financial instruments in business finance and risk management.

**Scenarios relating to future business strategies and developments:**

1. Controls and systems process planning
2. Developing management and corporate governance mechanisms
3. Business risk management
4. Developing business and information strategies including E-commerce and E-business
5. Transfer pricing decisions
6. Business start-up planning
7. Business and asset valuations upon acquisitions and disposals for business and tax purposes
8. Due diligence investigations of information provided to investors
9. Raising finance
  - Initial public offers
  - Private equity arrangements
10. Developing performance management approaches
11. Developing remuneration and reward packages
12. Structuring of entities
  - Incorporation
  - Group re-organisation
  - Outsourcing
  - Joint ventures and alliances
  - Acquisitions and mergers
  - Demergers
  - Franchising
  - Divestment
  - Management buy-out
  - Management buy-in
13. Business recovery
14. Insolvency and bankruptcy
15. Developing international operations
16. Structuring of business finance



# Technical Knowledge Grids

## Introduction

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

For each individual topic / standard the level of knowledge required in the relevant Professional Stage module and the Advanced Stage content is shown.

The knowledge levels are defined as follows:

### **Level D**

An awareness of the scope of the subject matter.

### **Level C**

A general knowledge with a basic understanding of the subject matter and training in the 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 at Professional Stage is assumed to be continued

## Advanced Assurance and Audit

Title	Professional Stage		Advanced Stage
	Assurance	Audit and Assurance	
The International Auditing and Assurance Standards Board			C
The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board			A
The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board			A
Discussion Papers			C
Working Procedures			C
<b>Bangladesh Standards on Auditing (BSAs)</b>			
200 Objective and General Principles Governing an Audit of Financial Statements	B	A	→
210 Terms of Audit Engagements		B	→
220 Quality Control for Audit of Historical Financial Statements		B	→
230 Audit Documentation (Revised)		B	A
240 The Auditors Responsibility to Consider Fraud and Error in an Audit of Financial Statements		B	A
250 Consideration of Laws and Regulations in an Audit of Financial Statements		B	A
260 Communication of Audit Matters with Those Charged with Governance		B	A
300 Planning an Audit of Financial Statements	B	A	→
315 Obtaining an understanding the Entity and its Environment and Assessing the Risk of Material Misstatement	C	A	→
320 Audit Materiality	C	A	→
330 The Auditors Procedures in Response to Assessed Risks		B	A
402 Audit Consideration Relating to Entities Using Service Organisations		C	C
500 Audit Evidence	B	A	→
501 Audit Evidence-Additional Considerations for Specific Items		A	→
505 External Confirmations	B	B	A
510 Initial Engagements Opening Balances and Continuing engagements Opening Balances		B	A
520 Analytical Procedures	C	C	A
530 Audit Sampling and Other Means of Testing	C	C	A
540 Audit of Accounting Estimates, Including Fair Value Accounting Estimates & Related Disclosures	C	C	A
545 Auditing Fair Value Measurements and Disclosures			A
550 Related Parties		B	A
560 Subsequent Events		B	A
570 Going Concern		A	→
580 Management Representations	C	B	A
600 (Revised) Using the Work of Another Auditor		C	A
600 Special Considerations – Audit of Group Financial Statements (including work of component auditors)		C	A
610 Considering the Work of Internal Audit		C	A
620 Using the Work of an Expert		C	A
700 The Auditor's Report on Financial Statements	B	A	→
701 Modifications to the Independent Auditor's Report		B	→
710 Comparatives		B	A
720 Other Information in Documents Containing Audited Financial Statements		B	A
800 The Auditor's Report on Special Purpose Audit Engagements			B
<b>Bangladesh Auditing Practice Statements (BAPS)</b>			
1000 Inter-bank Confirmation Procedures			D
1004 The Relationship Between Banking Supervisors and Banks' External Auditors			D

Title	Professional Stage		Advanced Stage
	Assurance	Audit and Assurance	
1005 The Special Considerations in the Audit of Small Entities			A
1006 Audits of the Financial Statements of Banks			D
1010 The Consideration of Environmental Matters in the Audit of Financial Statements			A
1012 Auditing Derivative Financial Instruments			B
1013 Electronic Commerce: Effect on the Audit of Financial Statements			A
1014 Reporting by Auditors on Compliance with International Financial Reporting Standards			A
<b>International Standards on Review Engagements (ISREs)</b>			
2400 Engagements to Review Financial Statements			B
IAASB 'Clarity Project'			A
<b>International Standards on Assurance Engagements</b>			
3000R Assurance Engagements Other than Audits or Reviews of Historical Financial Information		C	B
3400 The Examination of Prospective Financial Information			B
<b>International Standards on Related Services (ISRSs)</b>			
4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information			B
4410 Engagements to Compile Financial Information			B
<b>IFAC Statements</b>			
IPPSI Assuring the Quality of Professional Services		C	B
ISQCI (BSQCI) Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements		C	B
<b>IAASB 'Clarity Project'</b>			A

Candidates will also be required to apply the additional requirements set out in Bangladesh Standards on Auditing in respect of the standards above.

## Business Analysis

Topic	Professional Stage			Advanced Stage
	Management Information	Financial Management	Business Strategy	
<b>Strategic Analysis</b>				
<i>Environmental and market analysis tools</i>				
PEST analysis			B	A
Porter's five forces			B	A
Product life cycle			B	A
Boston consulting group matrix			B	A
Competitor analysis			B	A
<i>Positional and other analysis tools</i>				
Resource audit			B	A
Value chain analysis			B	A
SWOT analysis			B	A
Gap analysis			B	A
Benchmarking			B	A
Directional policy matrix				B
Business process analysis			B	A
Strategic risk analysis			B	A
Balanced scorecard			B	A
<b>Strategic Choice</b>				
Strategy formulation, evaluation and choice			B	A
Business risk management			B	A
Financial analysis			B	A
Objectives and stakeholders preferences			B	A
<b>Strategic Implementation</b>				
Business plans			B	A
Organisational structure			B	A
Information management			B	A
Change management			B	A
Project management			B	A
<b>Cost Analysis for Decision Making</b>				
<i>Costing</i>				
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
<i>Pricing</i>				
Pricing decisions	B			→
Transfer pricing	B			→
<b>Business and Shareholder Value</b>				
<i>Valuation Techniques</i>				
Income – dividend yield				A
Income – P/E				A
Income – discounted cash flow				A
Asset based measures				A
Options approach				B
<i>Shareholder value</i>				

Topic	Professional Stage			Advanced Stage
	Management Information	Financial Management	Business Strategy	
Value based management (VBM)				A
Value drivers				A
Shareholder value analysis (SVA)				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
<b>Investment Appraisal and Basic Risk Analysis</b>				
<i>Project appraisal</i>				
NPV		A		→
IRR		A		→
Payback		A		→
Adjusted present value (APV)		A		→
<i>Assessing risk</i>				
Project appraisal and sensitivity analysis		B		A
Project appraisal and simulation		B		A
Expected values				A
Scenario planning				A
Gap analysis			B	→
Continuous vs. event risk			B	→
<b>Financial Analysis</b>				
<i>Cost of capital</i>				
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
Public sector discount rates				A
<i>Portfolio theory and CAPM</i>				
Portfolio theory		B		A
CAPM		B		A
APT and MCPM				A
CAPM and cost of capital		B		A
International cost of capital				A
<i>Bonds</i>				
Bond pricing using NPV				A
Yields to maturity				A
Duration and price volatility				A
Convexity				A
Term structure of interest rates				A
Corporate borrowing and default risk				A
<b>Sources of Finance and Financing Arrangements</b>				
Short, medium and long term sources of finance		B		A
Loan agreement conditions (warranties; covenants; guarantees)		B		A
Raising capital		B		A

Topic	Professional Stage			Advanced Stage
	Management Information	Financial Management	Business Strategy	
Financing reconstructions (e.g. group reconstruction, spin off, purchase of own shares, use of distributable profits)		B		A
<b>Financial Engineering</b>				
<i>Futures, options and swaps</i>				
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
<i>Foreign exchange</i>				
Currency forward contracts		B		A
Currency money market cover		B		A
Currency options		B		A
Currency swaps		B		A
Theoretical determinants of foreign exchange rates		B		A
<i>Option value</i>				
Value of a call and put option		C		B
Black Scholes option pricing model				B
Binomial Option Pricing Model				B
Real options		C		B

### **Corporate Governance**

Topic	Professional Stage	Advanced Stage
Code of corporate governance		A
OECD Guidance on corporate governance		C

### **Ethics codes and standards**

Topic	Professional Stage	Advanced Stage
IFAC Code of Ethics for Professional Accountants (parts A, B and C)	A	A
ICAB Code of Ethics (section 1.2 of the members handbook)	A	A
ICAB The duty to report misconduct		A
<b>Ethical Analysis</b>		
Ethical codes		A
Ethical tests		A
Ethical models		A

## Financial & Corporate Reporting

Topic	Professional Stage		Advanced Stage
	Accounting	Financial Accounting	Financial & Corporate Reporting
Preface to Bangladesh Financial Reporting Standards		A	→
Framework for Preparation and Presentation of Financial Statements	B	A	→
BAS1 Presentation of Financial Statements	B	A	→
BAS2 Inventories		A	→
BAS7 Statement of Cash Flows		B	A
BAS8 Accounting Policies, Changes in Accounting Estimates and Errors	B	A	→
BAS10 Events after the Reporting Period		A	→
BAS11 Construction Contracts			A
BAS12 Income Taxes			C
BAS16 Property, Plant and Equipment		A	→
BAS17 Leases		A	→
BAS18 Revenue		A	→
BAS19 Employee Benefits			
BAS20 Accounting for Government Grants and Disclosure of Government Assistance			A
BAS21 The Effects of Changes in Foreign Exchange Rates			A
BAS23 Borrowing Costs			A
BAS24 Related Party Disclosures			A
BAS26 Accounting and Reporting by Retirement Benefit Plans			
BAS27 Consolidated and Separate Financial Statements		B	A
BAS28 Investments in Associates		B	A
IAS29 Financial Reporting in Hyperinflationary Economies			
BAS31 Interests in Joint Ventures			A
BAS32 Financial Instruments: Presentation		C	A
BAS33 Earnings per Share			B
BAS34 Interim Financial Reporting			
BAS36 Impairment of Assets		B	A
BAS37 Provisions, Contingent Liabilities and Contingent Assets		A	→
BAS38 Intangible Assets		B	A
BAS39 Financial Instruments: Recognition and Measurement		C	B
BAS40 Investment Property			A
BAS41 Agriculture			D
BFRS1 First-Time Adoption of BFRS			A
BFRS2 Share-based Payment			
BFRS3 Business Combinations		B	A
BFRS4 Insurance Contracts			
BFRS5 Non-current Assets Held for Sale and Discontinued Operations		B	A
BFRS6 Exploration for and Evaluation of Mineral Resources			
BFRS7 Financial Instruments: Disclosures			B
BFRS8 Operating Segments		B	A

**Financial Reporting Standards for Small- and Medium-sized Enterprises (SMEs).** Candidates will be required to have an appreciation of the concepts and principles involved in the Financial Reporting Standards for SMEs. Knowledge of the detailed provisions of the standards is not required. Candidates may be provided with extracts from financial statements prepared in accordance with the FRSs for SMEs and be required to explain the main ways in which their requirements affect financial reporting, performing simple calculations to illustrate the effects. FRSs for SMEs are examinable in the Financial & Corporate Reporting module.

## Table of technical areas in Taxation to be covered by the Advanced Stage

### Taxation

Topic	Professional Stage		Advanced Stage
	Taxation 1	Taxation 2	
Objectives of taxation	C	→	→
Ethics	A	→	→
National Board of Revenue (NBR)	B	→	→
Tax evasion and avoidance		A	→
<b>Business Tax</b>			
<b>Administration</b>			
Administration	B	→	→
Appeals	C	→	→
Payments	B	A	→
Penalties and interest on late payment of tax	B	A	→
Self assessment	B	A	→
<b>Chargeable Gains</b>			
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Property: wasting and non wasting	B	→	→
Costs of acquisition and disposal	C	B	→
Indexation	B	A	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Qualifying corporate bonds			A
Relief for capital losses		A	→
Reorganisations and reconstructions		A	A
Shares and securities (including bonus and rights issues)		A	→
<b>Chargeable Gains Reliefs</b>			
Entrepreneurs' relief		A	→
Gift relief		A	→
Incorporation relief		A	→
Roll-over relief		A	→
Substantial shareholding exemption		A	→
<b>Trading Profits</b>			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Foreign currency transactions			A
Intangible assets		B	→
Long periods of account		A	→
Pension contributions		B	A



Topic	Professional Stage		Advanced Stage
	Taxation 1	Taxation 2	
Research and development expenditure & tax credits		B	A
Royalty payments		B	→
Royalty receipts		B	→
<b>Unincorporated Businesses</b>			
Basis of assessment – current year basis	B	A	→
Change of accounting date		B	→
Commencement and cessation of trade	B	A	→
Overlap profits and treatment of opening year losses	B	A	→
Partnerships	B	A	→
Trading losses		A	→
<b>Profits Chargeable to Corporation Tax</b>			
Property income (including lease premiums)		A	→
Trading profits	B	A	→
Loan relationships	B	A	→
Miscellaneous income	B	A	→
Chargeable gains	B	A	→
Charges on income – gift aid	B	A	→
Trading losses		A	→
Use of deficit on non-trading loan relationships		A	→
<b>Corporation Tax Computation</b>			
Chargeable accounting periods	C	B	A
Close companies		A	→
Corporation tax liability	B	A	→
Corporate Venturing Scheme		A	→
Distributions		B	→
Double tax relief (including underlying tax and withholding tax)			A
Liquidation			A
Provision of services through a company			A
Rates of tax	B	A	→
Residence	C	B	→
<b>Groups</b>			
Associated companies	C	B	A
Capital gains groups		A	→
Changes in group structure			A
Change in ownership		B	A
Consortium relief			A
Controlled foreign companies			A
Degrouping charges			A
Group loss relief		A	→
Group relationships		A	→
Non-coterminous accounting periods		A	→
Overseas companies and branches			A
Pre-acquisition gains and losses			A
Roll-over relief		A	→
Transfer of assets		A	→
Transfer pricing		A	→
<b>Stamp Duty and Stamp Duty Land Tax</b>			

Topic	Professional Stage		Advanced Stage
	Taxation 1	Taxation 2	
Basic principles		B	→
Chargeable occasions		B	→
Exemptions		B	→
<b>VAT</b>			
Administration	B	→	→
Appeals	C	→	→
Capital goods scheme			A
Group aspects		A	→
Input VAT	A	→	→
Output VAT	A	→	→
Overseas aspects		A	→
Partial exemption		B	→
Payments	A	→	→
Penalties and interest on late payment of tax	A	→	→
Property transactions		A	→
Registration and de-registration	A	→	→
Small business reliefs	A	→	→
Taxable person	A	→	→
Taxable supplies	A	→	→
Transfer of a business as a going concern		B	→
VAT records and accounts	A	→	→
<b>Personal Tax</b>			
<b>Administration</b>			
Administration	B	→	→
Appeals	C	→	→
Tax Deducted at Source (TDS)	B	→	→
Payments	B	A	→
Penalties and interest on late payment of tax	B	A	→
Self assessment	B	A	→
<b>Employees</b>			
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	→
<b>Other Income</b>			
Dividends		A	→
Interest on securities		B	→
Agriculture income		A	→
Income from House Property		A	→
Income from other sources		B	→
<b>Income Tax Computation</b>			
Exempt income	B	A	→
Gift aid	B	A	→
Income tax liable and payable	B	A	→

Topic	Professional Stage		Advanced Stage
	Taxation 1	Taxation 2	
Independent taxation and jointly owned assets		B	A
<b>Pension Contributions</b>			
- Provisions for retirement		B	A
- Tax reliefs		B	A
Personal age allowance	B	A	→
Personal allowance	B	A	→
Rates of tax	B	A	→
Taxable persons	C	A	→
<b>Capital Gains Tax</b>			
Annual exemption	B	A	→
Business assets	B	A	→
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Properties: wasting and non wasting	B	B	→
Connected persons		A	→
Converted trading losses		B	→
Costs of acquisition and disposal	C	B	→
Indexation		A	→
Leases			A
Nil gain/nil loss transfers		A	→
Non-business assets	B	A	→
Part disposals		B	→
Qualifying corporate bonds			A
Rates of tax	A	A	→
Relief for capital losses		A	→
Reorganisations and reconstructions		A	→
Shares and securities (including bonus and rights issues)		A	→
Taper relief		A	→
<b>Capital Gains Tax Reliefs</b>			
Letting relief		A	→
Principal private residence relief		A	→
<b>Basic Principles of Inheritance Tax</b>			
Chargeable persons		B	→
Chargeable property		B	→
Excluded property		B	→
Inter-spouse transfers		A	→
Rates of tax		A	→
Related property		B	→
Seven year accumulation period		A	→
<b>Inheritance Tax on Lifetime Transfers</b>			
Discretionary trusts		A	→
Potentially exempt transfers		A	→
<b>Inheritance Tax on Death</b>			
Death estate		A	→
Deeds of variation		B	→

Topic	Professional Stage		Advanced Stage
	Taxation 1	Taxation 2	
Lifetime transfers		A	→
<b>Reliefs &amp; Exemptions from Inheritance Tax</b>			
Agricultural property relief		B	→
Annual exemption		A	→
Business property relief		A	→
Gifts to charities and political parties		A	→
Gifts with reservation of benefit		B	→
Marriage exemption		A	→
Normal expenditure out of income		A	→
Quick succession relief		B	→
Small gifts exemption		A	→
Taper relief		A	→
<b>Overseas Aspects of Personal Taxation</b>			
Arising basis			A
Deemed domicile			A
Domicile			A
Foreign assets income and gains			A
Double tax relief			A
Ordinary residence			A
Remittance basis			A
Residence			A
Temporary absence			A
Taxation of non-domiciled individuals			A