

The Institute of Chartered Accountants of Bangladesh (ICAB)

Syllabus for ICAB Professional Stage (Application Level)



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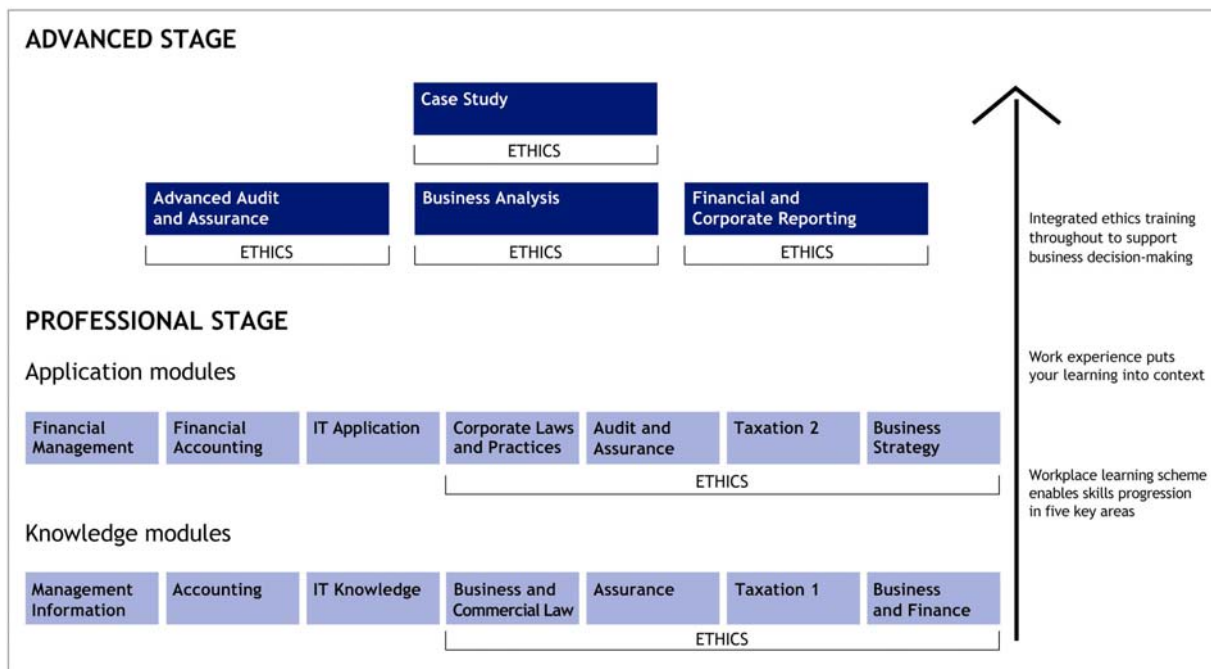


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CA Professional Stage Syllabus

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 and rigorous manner. Progression through the CA modules, in combination with integrated and monitored work based learning, will equip and prepare students for the demanding multi-disciplinary case study. This final module demands a high level of analysis, synthesis and communication skills, commercial and ethical awareness and the application of professional judgement.

The diagram below shows the 14 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.

Professional Stage

Aim

The Professional Stage of the CA qualification forms the first stage of formal learning and assessment for the CA and, as such, aims to provide students with the technical skills and underpinning knowledge to perform their work as trainee chartered accountants in a variety of environments.

The Professional Stage syllabus has been constructed with the following aims:

- to ensure that the required technical knowledge and skills can be learnt and assessed in a comprehensive and rigorous manner
- to allow the timing of exam study to be aligned as far as possible with the knowledge and skills needed in the workplace
- to enable appropriate educational progression and reinforcement during the study and assessment process.

Structure and progression

There are 14 modules in total. Seven 'Knowledge' modules focus on the introduction and development of core knowledge and skills. The other seven 'Application' modules further develop the knowledge and skills and assess practical technical application.

The Professional Stage as a whole forms the foundation of technical knowledge that is further developed and integrated at the Advanced Stage.

Syllabus

This document presents the learning outcomes for the 14 Professional Stage modules. The learning outcomes in each module should be read in conjunction with the relevant topics.

Assessment

The seven 'Knowledge' modules will be examined using short-answer questions. Each assessment will be 1.5 hours in length except 'Taxation 1' which will be 3 hours in length.

The seven 'Application' modules will be examined using traditional assessments using longer questions. Each examination will be 2.5 hours in length.

Flexibility

There will be no regulations stipulating the order in which students must attempt the modules in each level of the Professional Stage, allowing employers to design training programmes according to business needs. Students will be permitted a maximum of six attempts at each module, and no examination in the next level can be undertaken before the previous level has been completed.

Professional Stage – (Application level)

Audit and Assurance - 100 Marks

Module aim

To develop students' understanding of the critical aspects of managing an assurance engagement (including audit engagements): acceptance, planning, managing, concluding and reporting.

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

- understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement
- understand the processes involved in accepting and managing assurance engagements, and how quality assurance processes mitigate the risks to those conducting the engagement
- plan assurance engagements in accordance with the terms of the engagements and appropriate standards
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

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 Legal, ethical and current issues | 20 |
| 2 Accepting and managing engagements | 15 |
| 3 Planning assurance engagements | 40 |
| 4 Concluding and reporting on assurance engagements | 25 |

Abilities tested

| Knowledge | Application | Higher | Total |
|------------------|--------------------|---------------|--------------|
| 20 | 40 | 40 | 100 |

The following learning outcomes should be read in conjunction with the Assurance and Audit and Ethics tables in Appendix I.

For clarity, learning outcomes applicable to all types of assurance engagements (including audit) are separated from those that are relevant only to audit engagements.

I Legal, ethical and current issues

Candidates will be able to understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify and advise upon the professional and ethical issues that may arise during an assurance engagement
- b. recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate
- c. judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties
- d. discuss the purpose of laws, standards and other requirements surrounding assurance work

- e. explain the standard-setting process used by national and international (IAASB) bodies and the authority of the national and international standards
- f. explain, in non-technical language, significant current assurance issues being dealt with by the national standard-setting body and the IAASB
- g. explain, using appropriate examples, the main ways in which national legislation affects assurance

Audit engagements

- h. explain the main ways in which national legislation affects the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and audit standards)
- i. explain the principles behind different auditing requirements in different jurisdictions and describe how national and international bodies are working to harmonise auditing requirements, including requirements to report on internal controls (Sarbanes-Oxley Act)
- j. describe the principal causes of audit failure and their effects and the gap between outcomes delivered by audit engagements and the expectations of users of audit reports.

2 Accepting and managing engagements

Candidates will be able to understand the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify the legal, professional and ethical considerations that an individual or firm must consider before accepting a specified assurance engagement
- b. identify the sources of liability (including professional negligence) arising from an assurance engagement and their impact upon the conduct of the engagement
- c. discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing)
- d. formulate the approach suitable for management of the assurance engagement
- e. discuss the principles and purpose of quality control of assurance engagements
- f. demonstrate how the assurance function within an organisation can be monitored through procedures for review
- g. describe how quality can be monitored and controlled through procedures external to the organisation

Audit engagements

- h. discuss the process by which an auditor obtains an audit engagement
- i. discuss the issues and risks that an individual auditor or audit firm must consider with regard to the acceptance of an audit engagement (new or continuing) with a client, including terms of engagement and their documentation
- j. identify the legal, professional and ethical considerations that an individual auditor or audit firm must consider before accepting a specified audit engagement.

3 Planning assurance engagements

Candidates will be able to plan assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- a. explain, in the context of a given scenario, why it is important to have a knowledge and understanding of the business when planning an engagement
- b. identify ways of gaining knowledge and understanding of a client's business
- c. identify the risks arising from, or affecting, a given set of business processes and circumstances and assess their implications for the engagement

- d. identify the risks arising from error, fraud and non-compliance with law and regulations and assess their implications for the engagement
- e. assess significant business risks identified for their potential impact upon an organisation, in particular their potential impact on performance measurement
- f. identify the components of risk for a specified assurance engagement
- g. assess the impact of risk and materiality on the engagement plan, including the nature, timing and extent of assurance procedures, for a given organisation
- h. discuss the benefits and limitations of analytical procedures at the planning stage
- i. determine an approach appropriate for an engagement for a specified organisation which addresses:
 - possible reliance on controls (including those within IT systems)
 - possible reliance on the work of internal audit or other experts
 - possible reliance on the work of another auditor
 - probable extent of tests of control and of substantive procedures, including analytical procedures
 - nature and extent of client-generated information
 - probable number, timing, staffing and location of assurance visits

Audit engagements

- j. identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk
- k. outline the aspects of employment law, tax law and other local laws which are relevant to statutory audit
- l. discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given specialised profit oriented entity
- m. discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given not-for-profit entity
- n. specify and explain the steps necessary to plan, perform and conclude and report on the audit of the financial statements of a non-specialised profit oriented entity in accordance with the terms of the engagement including appropriate auditing standards.

4 Concluding and reporting on assurance engagements

Candidates will be able to conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- a. describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on
- b. evaluate, quantitatively and qualitatively (including use of analytical procedures), the results and conclusions obtained from assurance tests and procedures
- c. draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work
- d. draft suitable extracts for an assurance report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon
- e. advise on reports to be issued to those responsible for governance in accordance with **Bangladesh** Standards on Auditing, legislation, regulation and codes of corporate governance
- f. judge when to refer reporting matters for specialist help

Audit engagements

- g. draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work
- h. explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the **Bangladesh** Standards on Auditing and statutory requirements and recommend the nature of an audit opinion to be given in such a report

- i. draft suitable extracts for an audit report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

Financial Accounting - 100 Marks

Module aim

To enable students to prepare a complete set of financial statements for single entities and for groups in conformity with **Bangladesh** Financial Reporting Standards (BFRS).

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

- explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information and apply the International Accounting Standards Board's (IASB) conceptual framework for financial reporting
- prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with IFRS
- identify the circumstances in which entities are required to present consolidated financial statements and prepare and present them in conformity with IFRS.

Learning outcomes apply to non-specialised profit-oriented entities unless otherwise specified.

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 Accounting and reporting concepts | 10 |
| 2 Preparation of single company financial statements | 55 |
| 3 Preparation of consolidated financial statements | 35 |

Abilities tested

| Knowledge | Application | Higher | Total |
|-----------|-------------|--------|-------|
| 20 | 70 | 10 | 100 |

The following learning outcomes should be read in conjunction with the Financial Reporting table in Appendix I.

1 Accounting and reporting concepts

Candidates will be able to explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information and apply the International Accounting Standards Board's conceptual framework for financial reporting.

In the assessment, candidates may be required to:

- discuss the purpose of accounting regulations, standards and other requirements
- explain the objectives of financial statements, giving appropriate examples
- explain the qualitative characteristics of financial information and the constraints on such information, using appropriate examples to illustrate the explanation
- identify the financial effects of transactions in accordance with the IASB Framework, which has been adopted by ICAB as BFRS *Framework*
- explain the differences between financial statements produced using the accrual basis and those produced using the bases of cash accounting and break-up, performing simple calculations to illustrate the differences
- explain, in non-technical language, the different bases of measurement of the elements of the financial statements and the different definitions of capital and capital maintenance used in accrual basis financial statements, illustrating the explanation with simple calculations and examples
- explain and demonstrate the concepts and principles surrounding the consolidation of financial statements.

2 Preparation of single entity financial statements

Candidates will be able to prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with BFRS requirements.

In the assessment, candidates may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present statutory financial statements
- b. identify the laws, regulations, accounting standards and other requirements applicable to the statutory financial statements of an entity
- c. prepare and present the financial statements, or extracts therefrom, of an entity according to its accounting policies and appropriate Bangladesh financial reporting standards
- d. identify the circumstances in which the use of BFRS and International Public Sector Accounting Standards (IPSASs) for not-for-profit entities might be required
- e. calculate from financial and other data the amounts to be included in the equity section of the balance sheet of a not-for-profit entity in accordance with its accounting policies and the appropriate financial reporting framework.

3 Preparation of consolidated financial statements

Candidates will be able to identify the circumstances in which entities are required to present consolidated financial statements and prepare and present them in conformity with BFRS.

In the assessment, candidates may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements
- b. identify the laws, regulations, accounting standards and other requirements applicable to the legal entity and consolidated financial statements of an entity
- c. identify from financial and other data any subsidiary or associate of an entity according to the Bangladesh financial reporting framework
- d. calculate from financial and other data the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinuing interests in subsidiaries and associates according to the Bangladesh financial reporting framework
- e. prepare and present the consolidated financial statements (including a consolidated cash flow statement), or extracts therefrom, of an entity in accordance with its accounting policies and the Bangladesh financial reporting framework, using calculated amounts and other information.

Business Strategy - 100 Marks

Module aim

To provide students with an understanding of how businesses develop and implement strategy.

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

- identify and analyse the consequences of a business's current objectives, market position and direction
- evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of a business
- develop a business plan to achieve a business's strategic objectives, recommend an appropriate organisational structure and explain the process of effective change management.

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 | 35 |
| 2 Strategic choice | 35 |
| 3 Implementation of strategy | 30 |

Abilities tested

| Knowledge | Application | Higher | Total |
|------------------|--------------------|---------------|--------------|
| 20 | 40 | 40 | 100 |

I Strategic analysis

Candidates will be able to analyse and identify the consequences of a business's current objectives, market position and direction.

In the assessment, candidates may be required to:

- a. evaluate a business's purpose, in terms of its stated mission, objectives and critical success factors, highlighting omissions, inconsistencies and weaknesses in its strategic management systems
- b. analyse for a given situation the external factors which may impact upon a business's performance and identify significant issues in the following areas:
 - sustainable development issues
 - global macroeconomic forces
 - international trade and financial systems
 - government policies
 - industry developments
 - cultural environment
 - stakeholder impact
 - current markets
 - markets for finance, labour and other resources
- c. analyse a business's current markets and competitive strategy in sufficient detail for decisions to be made, drawing conclusions consistent with the data and results and highlighting relevant issues in terms of their likely impact on the strategy of the business
- d. identify the effect of the internal factors in a given situation which affect or may affect a business's ability to achieve its chosen strategy, including its:
 - current financial resources
 - product/service portfolio

- organisational and operational capabilities (including existing business processes, human resource capabilities and information systems capabilities)
- e. analyse for a given situation, the resources required to produce a product or service and identify their availability, associated costs and significant limiting factors
- f. analyse the governance and management structures of businesses and identify weaknesses
- g. identify the steps needed for a given business to enable it to meet the appropriate regulations, codes of conduct and disclosure requirements in respect of its governance
- h. identify the risk attached to a business's present position, considering all relevant factors (including attitudes to risk) and stating all assumptions made.

2 Strategic choice

Candidates will be able to evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of a business.

In the assessment, candidates may be required to:

- a. advise on the non-complex aspects of strategy formulation as part of the strategic management process for businesses
- b. identify and describe in a given scenario the alternative strategies available to a business
- c. show, in a given scenario, how a business chooses from competing strategies in order to maximise the achievement of its key objectives
- d. explain, in a given scenario, how products and services must evolve in the face of changing consumer demand
- e. analyse financial and other data in order to provide information for pricing decisions
- f. explain, using information provided, how to position particular products and services in the market place to maximise competitive advantage
- g. identify the risk attached to proposed courses of action in a given situation, considering all relevant factors (including attitudes to risk) and stating all assumptions made
- h. choose, for a given scenario, a strategy or combination of strategies which will achieve the business's objectives and takes account of known constraints, including stakeholder risk preferences and ethical stance
- i. identify the implications for stakeholders, including shareholder value, of choice between strategies
- j. assess a business's current position from a financial perspective.

3 Implementation of strategy

Candidates will be able to develop a business plan to achieve an business's strategic objectives, recommend an appropriate organisational structure and explain the process of effective change management.

In the assessment, candidates may be required to:

- a. describe, in a given scenario, the relationship between a business's overall strategy and its functional strategies
- b. draft a simple business plan, or extracts therefrom, which will achieve given or implied objectives
- c. critically assess an entity's business plan
- d. describe, in a given scenario, the advantages and disadvantages of alternative business structures
- e. evaluate the different types of organisational structure and recommend an appropriate structure for a given strategy
- f. identify methods of further developing a specific business which take account of positional analysis and risk and would be most likely to achieve the business's strategic objectives, and justify the methods selected
- g. explain and demonstrate how a business collects and distributes information in order to manage its strategy
- h. explain the levels of change in a business and the approaches used at each level, using appropriate examples
- i. explain and demonstrate how an information system can be used to create competitive advantage
- j. identify key changes needed in an information system in order to meet changes in the needs and resources of a business
- k. describe the key stages in a change management project
- l. identify in a given situation the key issues which should be addressed by the management of a business during the planning and implementation of a change project, including project management.

Financial Management - 100 Marks

Module aim

To enable students to recommend relevant options for financing a business, recognise and manage financial risks and make appropriate investment decisions.

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

- identify capital requirements of businesses and assess financing options
- identify the financial risks facing a business and the principal methods of managing those risks
- apply appropriate investment appraisal techniques and recommend relevant methods of funding investments taking into account other factors affecting investment decisions.

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 Financing options | 35 |
| 2 Managing financial risk | 30 |
| 3 Investment and financing decisions | 35 |

Abilities tested

| Knowledge | Application | Higher | Total |
|-----------|-------------|--------|-------|
| 25 | 50 | 25 | 100 |

I Financing options

Candidates will be able to identify capital requirements of businesses and assess financing options.

In the assessment, candidates may be required to:

- a. explain the general objectives of financial management and describe the financial strategy process for a business
- b. describe the impact of financial markets and other external factors on a business's financial strategy, using appropriate examples to illustrate the impacts
- c. explain the characteristics, terms and conditions and role of alternative short, medium and long term sources of finance available to different businesses
- d. describe the implications of terms included in loan agreements in a given scenario (e.g. representations and warranties; covenants; guarantees)
- e. explain the processes by which businesses raise equity, capital and other long term finance
- f. explain the roles played by different stakeholders, advisors and financial institutions in the financial strategy selected by a business
- g. identify the possible conflicts of objectives between different stakeholders in a business
- h. compare the features of different means of making returns to owners and lenders, explain their effects on the business and its stakeholders, and recommend appropriate options in a given scenario
- i. identify and calculate a business's future requirements for capital, taking into account current and planned activities
- j. assess the suitability of different financing options for a given business
- k. calculate and interpret the costs of different financing methods (before and after tax) and the weighted average cost of capital
- l. calculate and interpret the cost of capital of a business in a straightforward scenario
- m. explain, in non-technical terms and using appropriate examples, the effect of capital gearing/leverage on investors' perception of risk and reward

- n. describe options for reconstruction (e.g. group reconstruction, spin-off, purchase of own shares, use of distributable profits).

2 Managing financial risk

Candidates will be able to identify the financial risks facing a business and the principal methods of managing those risks.

In the assessment, candidates may be required to:

- a. identify and describe the key financial risks facing a business in a given scenario
- b. explain how financial instruments (e.g. derivatives, hedging instruments) can be utilised to manage financial risks and describe the characteristics of those instruments
- c. perform non-complex calculations relating to financial derivatives and other financial products and discuss the results
- d. explain different methods of managing interest rate exposure appropriate to a given situation and perform non-complex calculations to determine the cost of the hedge
- e. explain different methods of managing currency risks appropriate to a given situation and perform non-complex calculations to determine the cost of the hedge
- f. explain methods of managing other key financial risks and perform non-complex calculations to determine the cost of particular methods
- g. identify appropriate methods of financing exports, including:
 - bills of exchange
 - letters of credit
 - export credit insurance

3 Investment and financing decisions

Candidates will be able to apply appropriate investment appraisal techniques and recommend relevant methods of funding taking into account other factors affecting investment decisions.

In the assessment, candidates may be required to:

- a. select and justify investment appraisal techniques which are appropriate to the objectives and circumstances of a given business
- b. explain the investment decision making process
- c. select and justify an appropriate discount or interest rate for use in selected investment appraisal techniques from information supplied
- d. choose appropriate values to be used in selected appraisal techniques from information supplied, taking account of inflation and tax
- e. identify environmental factors that may affect financing for investment in a different country
- f. apply appraisal techniques and demonstrate how the interpretation of results from the techniques can be influenced by an assessment of risk
- g. recognise how the results of the appraisal of projects or groups of projects are affected by the accuracy of the data on which they are based and factors which could not be included in the computational analysis
- h. calculate the optimal investment plan when capital is restricted
- i. recommend and justify a course of action which is based upon the results of investment appraisal and consideration of relevant non-financial factors and which takes account of the limitations of the techniques being used
- j. identify and calculate the financing options, costs and benefits of activities in a given situation, referring to levels of uncertainty and making reasonable assumptions which are consistent with the situation
- k. compare the financing costs and benefits (including those that are not separately quantifiable) of various courses of action, using appropriate appraisal techniques
- l. recommend relevant methods of funding for a given situation, stating their sources and justifying the selection
- m. draft a straightforward investment and financing plan for a given business scenario.

Taxation 2 - 100 Marks

Module aims

To develop students' knowledge of taxation in Bangladesh gained at the Professional Examination (Knowledge) level and to enable them to undertake straightforward tax computations for individuals and business entities. To give students a working knowledge of the processes of tax investigations and disputes, and to enable them to explain the reasons for professional ethical requirements in the area of tax work.

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

- explain the relevance of ethical and professional issues for a professional accountant undertaking tax work
- provide information to business entities and to individuals on the amount of taxation that they may owe to or be owed by the taxation authorities
- advise and assist business entities and individuals in the adherence to regulations surrounding taxation
- provide information to business entities and to individuals on the effects of national taxes, including circumstances where foreign taxes affect national taxes
- describe the processes of tax investigations and taxation disputes

Specification Grid

| Syllabus Contents | Weighting (indicative %) |
|-------------------------------------|-----------------------------|
| 1 Ethical considerations | 20 |
| 2 The taxation of business entities | 40 |
| 3 The taxation of individuals | 40 |

1 Ethical considerations

Candidates should be able to explain the relevance of ethical and professional issues for a professional accountant undertaking tax work.

In the examination, candidates may be required to

- explain the relevance and importance of key ethical and professional issues for a professional accountant undertaking tax work
- judge when to refer taxation matters for senior help.

2 The taxation of business entities

Candidates should be able to provide information to business entities on the amount of taxation that they may owe to or be owed by the taxation authorities, advise and assist business entities in the adherence to regulations surrounding taxation, and provide information on the effects of national taxes, including circumstances where foreign taxes affect national taxes.

In the examination, candidates may be required to

- identify investments and expenditure which legally reduce tax liability and judge when they might be appropriate
- identify for actual or proposed transactions those treatments that are illegal for tax purposes and explain the reasons for the illegality
- explain how tax considerations can affect any investment decisions of a business entity
- explain how tax considerations can affect financial reporting by an entity

- e. calculate the amounts subject to national, regional and local taxation, the resulting amount of tax payable or recoverable by an entity and the effects of any foreign taxes on those amounts (the calculation of foreign tax liabilities is not required)
- f. identify how tax losses can be used by a business entity
- g. describe the effect of a change in the ownership of a business entity on its tax losses
- h. explain how alternative methods of achieving business objectives can lead to different tax outcomes
- i. calculate the tax implications for a business entity of different courses of action, taking into account the relevant taxes and other relevant implications

3 The taxation of individuals

Candidates should be able to provide information to individuals on the amount of taxation that they may owe to or be owed by the taxation authorities, advise and assist individuals in the adherence to regulations surrounding taxation, and provide information on the effects of national taxes, including circumstances where foreign taxes affect national taxes.

In the examination, candidates may be required to

- a. identify for actual or proposed transactions those treatments that are illegal for tax purposes and explain the reasons for the illegality
- b. calculate the amounts subject to national taxation, the resulting amount of tax payable or recoverable by an individual or entity and the effects of any foreign taxes on those amounts (the calculation of foreign tax liabilities is not required)
- c. identify how tax losses can be used by an individual
- d. explain how alternative methods of achieving personal objectives can lead to different tax outcomes
- e. calculate the tax implications for an individual of different courses of action (borrowing, investment, expenditure etc.), taking into account the relevant taxes and other implications

4 Investigations and disputes

Candidates should be able to describe the processes of tax investigations and taxation disputes.

In the examination, candidates may be required to

- a. identify the periods within which the relevant authorities can enquire into a taxpayer's returns or other information and tax liabilities and describe the taxpayer's right of appeal
- b. describe the process for dealing with taxation disputes.

Corporate Laws and Practices - 100 Marks

Module aim

To familiarise students with the different aspects and provisions of company law, rules and regulations which they are likely to come across in discharging their professional responsibilities.

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

- explain provisions of company law relating to
 - the nature and functions of companies
 - formation of companies and administrative consequences
 - share capital and capital maintenance
 - shareholders
 - directors
 - charges and debentures
 - insolvency
- describe the practical steps needed for carrying out the main company secretarial functions
- describe the contents and significance of a prospectus and listing particulars
- demonstrate their knowledge of the main provisions of
 - the Bank Companies Act 1991
 - the Financial Institutions Act 1993
 - the Insurance Ordinance 2008.

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.

| Syllabus Contents | Weighting (indicative %) |
|---|-----------------------------|
| 1 The Companies Act 1994 and Secretarial Practices | 50 |
| 2 Laws relating to the Securities and Exchange Commission | 20 |
| 3 The Bank Companies Act 1991 | 30 |
| 4 The Financial Institutions Act 1993 | |
| 5 The Insurance Ordinance 2008 | |

1 The Companies Act 1994 and secretarial practices

Candidates should be able to state and explain provisions of company law relating to the following areas and to describe the practical steps needed for carrying out the main company secretarial functions.

In the assessment, candidates may be required to

Nature and functions of companies

Candidates should be able to describe the nature and functions of companies compared with other legal persons.

- a. identify different forms of business organisations
- b. explain the differences between partnerships and companies including the advantages and disadvantages of incorporation, corporate personality and limited liability
- c. explain the concept of the veil of incorporation and in what circumstances it may be lifted, considering both case law and statute law

Formation of companies and administrative consequences

Candidates should be able to describe the processes of company formation and the administrative consequences.

- d. describe the procedure required to form a company by registration including any practical considerations
- e. describe the legal and regulatory provisions relating to
 - capital, shares and debentures
 - flotation of corporate securities
 - Issue of prospectus, including provisions on
 - underwriting
 - brokerage
 - discount and premium on shares
 - bonus and rights issues of shares
 - application, allotment, transfer and transmission of shares
- f. explain the format, function and legal effect of a company's Memorandum and Articles of Association and how they can be changed
- g. state the administrative consequences of incorporation including requirements regarding
 - filing of documents and returns
 - maintenance of records
 - accounts
 - disclosure of accounting and other information
 - shares
 - statutory books
 - company meetings

Share capital – capital maintenance

Candidates should be able to explain the rules relating to capital maintenance.

- h. explain the rules on capital maintenance including: the purchase of shares; permissible capital payments; a reduction of capital; financial assistance and the rules on the payment of dividends according to the Companies Act 1994 (students may be asked to interpret accounts but not to make calculations)

Shareholders

Candidates should be able to explain the relationship between the shareholders and the company.

- i. explain how a shareholder can influence the management of a company through meetings and resolutions, including shareholders' right to requisition a meeting
- j. identify the various statutory rights of shareholders to challenge the management of the company under the Companies Act 1994

Directors

Candidates should be able to explain the relationship between the directors and the company.

- k. describe the ways in which a director may be appointed and removed
- l. describe directors' duties, explaining the consequences of any breach, e.g. fraudulent trading and negligence
- m. explain the powers of directors and in what circumstances they will bind the company in a contract with third parties
- n. identify the situations when the shareholders will be able to challenge the directors' power to manage the company

Charges and debentures

Candidates should be able to describe the nature of a company's loan capital including the rights of debenture holders.

- o. explain the differences between the nature and functions of shares and debentures and contrast the rights and duties of shareholders and debenture holders

- p. explain in detail the nature and functions of fixed and floating charges, explain the effect of failure to register charges and outline the effect of preferences

Insolvency

Candidates should be able to outline the nature and function of the different procedures which could lead to the winding up of a company and to identify the order of repayment of assets in a liquidation.

- q. outline the nature and function of receivership, an administration order, a compulsory and a voluntary winding up
r. identify the priority on a liquidation of the distribution of assets including rights of creditors and employees.

2 Laws relating to The Securities and Exchange Commission

Candidates should be able to describe the contents and significance of a prospectus and listing particulars.

In the assessment, candidates may be required to

- a. define prospectus and listing particulars, including disclosure requirements
b. outline the Securities and Exchange Commission rules relating to a company listing
c. compare in outline the Securities and Exchange Commission rules with the requirements of the Companies Act 1994
d. describe the penalties for misrepresentation and negligent misstatement in the prospectus or listing particulars.

3 The Bank Companies Act 1991

Candidates should be able to demonstrate their knowledge of the main provisions of the Bank Companies Act 1991

In the assessment, candidates may be required to

- a. define, apply and advise on
- business of and licensing of bank companies, paid up capital and reserves
 - appointment and removal of directors and chief executive officer
 - illegal bank transactions by companies etc.
 - acquisition of the undertaking of banking companies
 - suspension of business and winding up of bank companies
 - Bangladesh bank and the SEC
 - restriction on loans and advances
 - issuance of policy directions
 - remission of loans
 - accounts and audit
 - inspection and investigation
 - submission of return and reports.

4 The Financial Institutions Act 1993

Candidates should be able to demonstrate their knowledge of the main provisions of the Financial Institutions Act 1993

In the assessment, candidates may be required to

- a. define, apply and advise on
- licensing of financial institutions
 - minimum capital, reserve fund and liquid assets
 - restriction on credit facilities
 - investment

- holdings of properties
- powers of Bangladesh Bank in prescribing rules
- accounts, audit and inspection
- removal of directors.

5 The Insurance Ordinance 2008

Candidates should be able to demonstrate their knowledge of the main provisions of the Insurance Ordinance 2008

In the assessment, candidates may be required to

- a. define, apply and advise on
 - preliminary, classification of business and policies
 - Chief Controller of Insurance
 - registration and renewals
 - determination of premium rates
 - management expenses, capital and deposits, margin of safety
 - insurable interests
 - accounts and audit
 - actuarial report and abstract
 - registers
 - submission of returns
 - investment of assets, solvency margin, loans and management
 - investigation and power of regulatory authority
 - assignment and transfer of policies
 - companies and rebates
 - licensing of agents
 - survey and surveyors.

IT Application - 100 Marks

Module aims

To ensure that students can understand and apply knowledge relating to controls used in computer-based systems, and to encourage a systematic understanding and a systematic approach to the use of computers in organizations.

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

- explain the importance of aligning IT strategy with business strategy and describe in outline how organizations achieve that alignment
- explain how information technology makes possible the business processes in the organization
- identify the risks to business processes from IT systems
- describe the methods used by IT managers to provide business continuity
- explain how information systems contribute to the management of an enterprise
- identify the information needs (including those for financial and management accounts) of a business, outline a system to meet those needs, specify internal controls, and advise on the system's introduction
- describe the general approach to the evaluation of computerized information systems
- to explain the controls and standards which should be applied to information systems at all stages, in particular the controls and standards which relate to audit and security

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 %) |
|--|-------------------------------------|
| Information technology strategy | 15 |
| Business process enablement | 15 |
| Management information systems | 20 |
| Designing, implementing and evaluating information systems | 25 |
| Controls and standards | 25 |

I Information Technology strategy

Candidates should be able to explain the importance of aligning IT strategy with business strategy, and describe in outline how organizations achieve that alignment, taking into account the financial statement and business implications of electronic commerce.

In the examination, candidates may be required to

- a. explain why it is important for the IT strategy of an organization to be developed in tandem with the overall strategy of the organization
- b. describe and explain the processes undertaken by organizations in order to develop an IT strategy, including consideration of
 - the overall strategy of the organization
 - current IT capabilities and environment
 - future IT environment and the needs of the organizational strategy
 - IT risks and opportunities
 - methods of measuring the success of strategy alignment
- c. identify factors to consider in the decision process related to electronic commerce applications
- d. identify authorization issues associated with electronic data interchange in a business information system
- e. identify risks, limitations, and advantages of electronic commerce applications

- f. explain how the following factors influence the use of information technology in enterprises in Bangladesh:
- government IT policy
 - the status of intellectual property rights in Bangladesh
 - the national IT infrastructure
 - ICT education nationally.

2 Business process enablement

Candidates should be able to explain how information technology makes possible the business processes in the organization, and to identify the risks to business processes from IT systems. They should also be able to describe the methods used by IT managers to provide business continuity.

In the examination, candidates may be required to

- a. explain how IT contributes to the support of business models and to the introduction of new business models
- b. explain how IT can assist the organization's business processes
- c. identify risks and benefits associated with the use of an electronic business information system
- d. state the reasons why IT managers use service level agreements in their relationship with business managers
- e. describe the measures that need to be taken to ensure as much as possible the accuracy of processing and continuity of IT services to the business
- f. identify the advantages of disaster recovery and business continuity
- g. describe the basic steps to develop a disaster recovery plan
- h. identify the major contributors to a disaster recovery plan.

3 Management information systems

Candidates should be able to explain how information systems contribute to the management of an enterprise.

In the examination, candidates may be required to

- a. explain the importance to management of the accessibility of information
- b. discuss ways of ensuring the reliability and accuracy of information, creating secure information systems and making information available at an appropriate cost
- c. describe the various levels of management in an organization, the types of actions they take, the decisions that they have to make and the types of information systems that are required at each level
- d. distinguish in a given situation between strategic, tactical and operational management and their corresponding information requirements
- e. discuss the major types of information system required at various levels of management:
 - executive information systems (EIS)
 - management information systems (MIS)
 - decision support systems (DSS)
 - knowledge work systems (KWS)
 - office automation systems (OAS)
 - transaction processing systems
- f. describe examples of each of the information systems listed in (f) above in terms of an organization's strategic business position.

4 Designing, implementing and evaluating information systems

Candidates should be able to identify the information needs (including those for financial and management accounts) of a business, outline a system to meet those needs, specify internal controls, and advise on the system's introduction. They should also be able to describe the general approach to the evaluation of computerized information systems.

In the examination, candidates may be required to

- a. explain the importance of the management, planning and control of a systems development project to the quality of the finished system
- b. describe the following stages in the introduction of a new accounting information system, and explain the importance of the accountant's role in each stage.
 - establishing and recording user requirements
 - investigation and feasibility study
 - project management
 - developing a solution to fulfil requirements
 - initial system design (including controls and security)
 - technical information and systems requirements
 - specification of hardware and software (software package selection and/or specification for bespoke programming work.)
 - implementing security requirements
 - installation/implementation
 - testing
 - system conversion and start-up
 - post-implementation review
- c. explain how an evaluation of an information system is planned and executed, including the use of computer-assisted audit techniques (CAAT).

5 Controls and standards

Candidates should be able to explain the controls and standards which should be applied to information systems at all stages, in particular the controls and standards which relate to audit and security.

In the examination, candidates may be required to

- a. describe in detail the controls and standards which are applied to information systems for the purpose of audit and security (regulatory and management controls, computer risk management, back up procedures, controls over data integrity, computer audit, passwords and logical access system, personal security planning)
- b. explain the controls and standards which are applied during the system implementation phases of installation, testing, training, documentation, file conversion and changeover, and post-implementation review
- c. explain the controls and standards which are applied to system maintenance and evaluation (system maintenance, evaluation, computer based monitoring, system performance)
- d. explain the risks to IT systems from hackers and viruses
- e. describe the controls that are applied to personal systems to ensure processing integrity, security and safeguarding of IT resources, and availability/continuity provisions (backup and recovery) for IT resources

APPENDIX I: Technical knowledge

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

For each individual standard the level of knowledge required in the relevant Professional Stage module and at the Advanced Stage 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 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

| 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 |
| Bangladesh Standards on Auditing (BSAs) | | | |
| 200 Objective and General Principles Governing an Audit of Financial Statements | B | A | → |
| 210 Terms of Audit Engagements | | B | → |
| 220 Quality Control for Audit Work | | B | → |
| 230 Documentation | | 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 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 | | B | A |
| 520 Analytical Procedures | C | C | A |
| 530 Audit Sampling and Other Means of Testing | C | C | A |
| 540 Audit of Accounting Estimates | 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 Using the Work of Another Auditor | | C | A |
| 610 Considering the Work of Internal Auditing | | 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 |
| Bangladesh Auditing Practice Statements (BAPS) | | | |
| 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 | |
| I005 The Special Considerations in the Audit of Small Entities | | | A |
| I006 Audits of the Financial Statements of Banks | | | D |
| I010 The Consideration of Environmental Matters in the Audit of Financial Statements | | | A |
| I012 Auditing Derivative Financial Instruments | | | B |
| I013 Electronic Commerce: Effect on the Audit of Financial Statements | | | A |
| I014 Reporting by Auditors on Compliance with Bangladesh Financial Reporting Standards | | | A |
| BSQCI Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements | | C | B |

Candidates will also be required to apply the additional requirements set out in BSAs in respect of the standards above.

Ethics Codes and Standards

| Ethics Codes and Standards | Level | Professional Stage modules |
|---|-------|---|
| IFAC Code of Ethics for Professional Accountants as adopted by ICAB (parts A, B and C) ICAB Code of Conduct – Schedule C, Part-I | A | Assurance Business and Finance Law Principles of Taxation Audit and Assurance Business Strategy Financial Reporting Taxation |

Financial Reporting

| Title | Professional Stage | | | Advanced Stage |
|--|--------------------|----------------------|---------------------|----------------|
| | Accounting | Financial Accounting | Financial Reporting | |
| Preface to Bangladesh Financial Reporting Standards | | A | → | → |
| Framework for Preparation and Presentation of Financial Statements | | A | → | → |
| BAS1 Presentation of Financial Statements | B | A | → | → |
| BAS2 Inventories | | A | → | → |
| BAS7 Cash Flow Statements | | A | → | → |
| BAS8 Accounting Policies, Changes in Accounting Estimates and Errors | B | A | → | → |
| BAS10 Events after the Balance Sheet Date | | A | → | → |
| BAS11 Construction Contracts | | | A | → |
| BAS12 Income Taxes | | | C | A |
| BAS14 Segment Reporting | | | A | → |
| BAS16 Property, Plant and Equipment | | A | → | → |
| BAS17 Leases | | A | → | → |
| BAS18 Revenue | | A | → | → |
| BAS19 Employee Benefits | | | | A |
| BAS20 Accounting for Government Grants and Disclosure of Government Assistance | | | A | → |
| BAS21 The Effects of Change in Foreign Exchange Rates | | | | A |
| BAS23 Borrowing Costs | | | A | → |
| BAS24 Related Party Disclosures | | | A | → |
| BAS26 Accounting and Reporting by Retirement Benefit Plans | | | | D |
| BAS27 Consolidated and Separate Financial Statements | | A | → | → |
| BAS28 Investments in Associates | | A | → | → |
| BAS31 Interests in Joint Ventures | | | A | → |
| BAS32 Financial Instruments: Presentation | | C | A | → |
| BAS33 Earnings per Share | | | B | A |
| BAS34 Interim Financial Reporting | | | | A |
| 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 | C | A |
| BAS40 Investment Property | | | A | → |
| BAS41 Agriculture | | | | D |
| BFRS1 First-Time Adoption of BFRS | | | | A |
| BFRS2 Share-based Payment | | | | A |
| BFRS3 Business Combinations | | A | → | → |
| BFRS4 Insurance Contracts | | | | D |
| BFRS5 Non-current Assets Held for Sale and Discontinued Operations | | B | A | → |
| BFRS6 Exploration for and Evaluation of Mineral Resources | | | | D |
| BFRS7 Financial Instruments: Disclosures | | | B | A |
| BFRS8 Operating Segments | | | B | A |

Key to symbol

→ the knowledge level reached is assumed to be continued