

ZICA

Student Handbook

ZICA Technician, Licentiate and
Professional Programmes

First edition June 2011

ISBN 9780 7517 9661 2

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from
the British Library

Published by

BPP Learning Media Ltd
BPP House, Aldine Place
London W12 8AA

www.bpp.com/learningmedia

Introduction

The Zambia Institute of Chartered Accountants, Rules and Syllabi issued in June 2011.

This handbook is issued to all students registered under ZICA programmes. It is designed to answer queries you may have as a newly registered student and further questions that may arise throughout your studies with the Institute. If you cannot find the answer to your queries in this handbook, please contact the Institute.

**Zambia Institute of Chartered Accountants
24 Joseph Mwilwa Road
Plot 284A,
Rhodes Park
Tel: 224489/222773 Fax: 224490/236593
E-mail: zica@coppernet.zm
Website: www.zica.co.zm**

**ZICA (Kitwe Office)
David Mwila House
(formerly Mutondo House)
Room 105/106
P O Box 23593
Kitwe
Tel: 222002
Fax: 222002
Email: zicakt@coppernet.zm**

All our rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of BPP Learning Media Ltd.



©
BPP Learning Media Ltd and the
Zambian Institute of Chartered Accountants (ZICA)
2011

Contents

	Page
1.0 Registration and Entry Requirements	
1.1 Registration Requirements	5
1.2 Minimum Entry Requirements	5
2.0 Methods of Study	
2.1 Full-time	6
2.2 Part-time	6
2.3 Distance	6
3.0 Examinations	
3.1 Examination Timetable	7
3.2 Critical Dates	7
3.3 Assessment	7
3.4 Examination Procedures	7
4.0 Course Structure and Syllabi	
Introduction	9
4.1 Technician Level	10
T1 Financial Accounting	10
T2 Cost Accounting	12
T3 Mathematics and Statistics	15
T4 Business Economics	17
T5 Taxation	20
T6 Management	23
T7 Information Technology and Communication	26
4.2 Licentiate Level	28
L1 Financial Reporting	28
L2 Management Accounting	30
L3 Integrated Taxation	32
L4 Auditing	35
L5 Decision Making Techniques	37
L6 Corporate Financial Management	39
L7 Business and Corporate Law	42
L8 Risk and Management Control Systems	45
4.3 Professional Level	47
P1 Advanced Financial Reporting	47
P2 Advanced Management Accounting	49
P3 Strategic Financial Management	52
P4 Audit and Assurance	54
P5 Strategic Management	57
5.0 Rules and Regulations	
5.1 Progression	60
5.2 Exemptions	60
5.3 Deferments	61



5.4	Remarking	61
5.5	Certification	62
5.6	Exam Malpractices and Penalties	62

6.0 Study Guidance

6.1	How to study	63
6.2	How to revise	64
6.3	How to pass your exams	65

1.0 Registration and Entry Requirements

1.1 Registration Requirements

All students must register with the Institute at the start of their course. Student registration numbers will be sent to all students.

1.2 Minimum Entry Requirements

Minimum entry requirements are set out below:

Technician Level	Normal route	Full school certificate, or its equivalent, with credits in English language, Mathematics and three other subjects.
	Mature Age Entry Route (MAER)	Aged at least 18 years or At least three years' working experience in accounting related functions.
	Holders of any other qualifications approved by ZICA.	
Licentiate Level	Holders of any other qualifications approved by ZICA.	
Professional Level	Holders of Licentiate level qualification or its equivalent.	
	Holders of an Accounting degree, or its equivalent from a recognized institution.	
	Penultimate level of a professional accountancy body recognized by ZICA.	
	Holders of any other qualifications approved by ZICA.	

A candidate registered under the Mature Age Entry Route (MAER) who has not passed the mandatory papers (T1 Financial Accounting, and T3 Mathematics and Statistics) will not be allowed to attempt any other additional subjects.

2.0 **Methods of Study**

The method of study shall be full time and part time at colleges and Institutions approved by TEVETA. Private home study is also encouraged.

2.1 **Full-time**

The student on full-time study attends class at one of the accredited tuition providers as a full-time student of the ZICA Accountancy Programme

2.2 **Part-time**

The student on part-time study attends tuition at one of the accredited tuition providers as a part-time student of the ZICA Accountancy programme.

2.3 **Distance**

The student on the distance learning mode of study registers with the Institute and reads the materials for the subject they want to sit from home. They are not registered with any tuition provider.

NOTE: Students may change modes of study. However they must inform the Institute every time they wish to change.

3.0 Examinations

3.1 Examination Timetable

ZICA will run two examination sessions in a year; June and December. The Examination timetable for each year shall be sent to individual candidates and examination centres. The timetable will also be posted to the Institute's website www.zica.co.zm during the first week of February every year and published in all issues of the *Student Accountant* magazine.

3.2 Critical Dates

Students have to adhere to the closing dates in the table below.

Fees	Examination session	
	June	December
Registration/Re-registration/Exemption	31 March	31 August
Examination	30 April	30 September

All registered students must pay the annual subscription fee by 31 March of each year. Students that pay subscription fees after 31 March will pay a penalty fee as will be determined by the Institute.

3.3 Assessment

Assessment shall be by a national examination only.

All papers shall be marked out of 100. To pass any paper, a candidate must obtain at least 50%.

The results of the examinations shall be published within eight (8) weeks after the examinations.

Examination Centres shall be approved by ZICA and published in the *Student Accountant* magazine.

3.4 Examination Procedures

You must be in the examination room at least 30 minutes before the paper is due to commence. The doors will be closed at that time to enable the invigilator to issue instructions and distribute stationery, and give you an opportunity to sign the attendance register.

Do not bring any paper or printed material into the examination room. Possession of such material may result in your being barred from participation in the examination. Examination paper on which to answer the questions will be provided.

You should switch off your mobile phone.

If you arrive more than 40 minutes after the starting time of the examination, you will not be allowed to sit that paper.

You will not be permitted to leave the examination room during the first hour nor the last 30 minutes.

You will not be allowed finally to leave the examination room without permission until you have handed in your answer booklets.

You must cease writing immediately the invigilator has declared the examination over.

When you answer questions, you should:

- Start each answer on a new page.
- Write answers in ink.
- Ensure that your student number, National Registration number and the question numbers are written on answer booklets in the blocks provided for this purpose.
- Read the instructions given carefully.
- Arrange your answers in numerical sequence before handing in your examination paper.

4.0 Course Structure and Syllabi

Introduction

This section comprises the detailed Syllabi and Course Structure of all three levels. It indicates what could be covered in each exam.

Each syllabus gives the following information:

- **Syllabus objectives** – these are the general learning objectives. They indicate what you should understand and be able to do when you have studied and understood the whole syllabus.
- **Topic list** – the topics covered in each syllabus are listed in detail. Percentage weightings on each section of the syllabus should help you plan your study time.
- **Recommended reading** – this includes the Study Manual, professional standards and other readings that should reinforce your understanding of the topics covered in the syllabus. The list is not exhaustive and you are advised to read as widely as possible.

4.1 Technician Level

Course Structure

T1	Financial Accounting
T2	Cost Accounting
T3	Mathematics and Statistics
T4	Business Economics
T5	Taxation
T6	Management
T7	Information Technology and Communication

Technician membership of ZICA is acquired by application immediately upon successful completion of the course. The designation is ZICA Tech.

T1 Financial Accounting

Learning outcomes

On successful completion of T1, students should be able to:

- 1 Describe the context and purpose of financial accounting
- 2 Apply double-entry bookkeeping techniques to record financial transactions and to maintain accounting records
- 3 Identify and correct omissions and errors in accounting records
- 4 Prepare financial statements for sole traders, partnerships and limited companies
- 5 Calculate and interpret simple financial ratios
- 6 Describe the features of public sector accounting

Content

1 Context and purpose (10%)

- A Purpose of financial reporting
- B Needs of users of financial statements
- C Conceptual framework
- D Regulatory framework

2 Financial transactions and accounting records (30%)

- A Business transactions and documentation
- B Books of prime entry
- C Principles of double-entry bookkeeping
- D Recording financial transactions and events
- E Journal entries and balancing ledger accounts
- F The trial balance

3 Omissions and errors (20%)

- A Control accounts
- B Bank reconciliations
- C Correction of errors
- D Suspense accounts
- E Incomplete records

4 Financial statements (20%)

- A Statement of comprehensive income
- B Statement of financial position
- C Statement of cash flows
- D Sole traders
- E Partnerships
- F Limited companies
- G Not-for-profit organisations
- H Departmental accounts and manufacturing accounts

5 Interpretation of accounts (10%)

- A Financial ratios
- B Interpretation and limitations

6 Public sector accounting (10%)

- A Statutory and regulatory framework
- B Pre-audits
- C Cash accounting and accruals accounting

Format of the exam

	<i>Marks</i>
Section A: 10 compulsory multiple choice questions, 2 marks each	20
Section B: Any 4 out of 5 questions, 20 marks each	<u>80</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T1 Study Manual
- Wood, F and Robinson, S, *Bookkeeping and Accounts*, 7th edition, FT Prentice Hall, 2009
- Wood, F and Sangster A, *Business Accounting 1*, 12th edition, FT Prentice Hall, 2011

T2 Cost Accounting

Learning outcomes

On successful completion of T2, students should be able to:

- 1 Explain the purpose and importance of cost accounting for an organisation
- 2 Distinguish between the various cost classifications and explain the reasons for the different classifications
- 3 Identify and calculate cost information for use in decision-making
- 4 Explain and apply the accounting methods for materials
- 5 Explain and apply the accounting methods for labour
- 6 Explain and apply the accounting methods for overheads
- 7 Apply absorption costing and marginal costing and explain activity-based costing
- 8 Apply a range of costing systems including job, batch, contract, service and process costing
- 9 Record cost and revenue data in the accounting system
- 10 Explain the purpose of standard costing and calculate the difference between actual performance and standards

Content

1 Introduction to cost accounting (5%)

- A Meaning and scope of cost accounting
- B Role and function of cost accounting within the organisational framework
- C Relationship between cost accounting, management accounting and financial accounting

2 Cost classification (10%)

- A The concept of cost
- B Importance of cost recording, cost analysis and reporting
- C Cost objects and cost accumulation
- D Manufacturing cost elements: direct, indirect, prime, product, service, period, production and non-production costs

3 Cost behaviour (10%)

- A Cost classification for decision purposes
- B Cost behaviour: variable, fixed, semi-variable and stepped fixed costs
- C High-low method

4 Materials (10%)

- A Purchasing and cost control systems and procedures
- B Accounting for inventory and inventory valuation methods using Last In First Out (LIFO), First In First Out (FIFO) and Average Cost (AVCO)
- C Inventory control techniques – Economic Order Quantity (EOQ) and Just-In-Time (JIT) concepts

5 Labour (10%)

- A Modes of remuneration
- B Incentive schemes
- C Procedures and documentation for effective recording and analysis
- D Labour turnover

6 Overheads (10%)

- A Characteristics of overheads
- B Cost units and cost centres
- C Revenue centres
- D Profit centres
- E Responsibility centres

7 Absorption costing and marginal costing (15%)

- A Cost allocation and cost distribution techniques
- B Apportionment and absorption
- C Over and under absorption
- D Marginal costing
- E Absorption costing versus marginal costing
- F Reconciliation of absorption costing and marginal costing
- G Basic knowledge and application of activity-based costing

8 Application of cost accounting information (10%)

- A Job and batch costing
- B Contract costing
- C Service costing
- D Process costing

9 Cost bookkeeping (5%)

- A Recording of transactions under cost accounting
- B Control accounts
- C Integrated bookkeeping systems

10 Standard costing and variance analysis (15%)

- A Establishment of standards and types of standard
- B Variance analysis for costs
- C Explanation of variances
- D Operating statements using absorption costing and marginal costing

Format of the exam

	<i>Marks</i>
Section A: 10 compulsory multiple choice questions, 2 marks each	20
Section B: Any 4 out of 5 questions, 20 marks each	<u>80</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T2 Study Manual
- Drury, C, *Management and Cost Accounting*, 7th edition, Cengage Learning EMEA, 2008
- Lucey, T, *Costing*, 7th edition, Cengage Learning EMEA, 2008

T3 Mathematics and Statistics

Learning outcomes

On successful completion of T3, students should be able to:

- 1 Demonstrate the use of mathematical techniques, including probability and ratios
- 2 Demonstrate the use of probability where risk and uncertainty exist
- 3 Apply financial mathematical techniques
- 4 Apply techniques for summarising and analysing data
- 5 Calculate correlation coefficients for bivariate data and apply the techniques of simple regression analysis and time series analysis

Content

1 Mathematical techniques (15%)

- A Powers and roots
- B Logarithms
- C Use of formulae
- D Percentages and ratios
- E Accuracy and rounding
- F Simultaneous and quadratic equations
- G Index numbers

2 Probability and uncertainty (15%)

- A Simple probability
- B Addition and multiplication rules
- C Conditional probability
- D Expected values
- E Risk and uncertainty

3 Financial mathematics techniques (25%)

- A Simple and compound interest
- B Annuities and perpetuities
- C Loans and mortgages
- D Net present value (NPV) and internal rate of return (IRR)

4 Presentation and analysis of statistical data (20%)

- A Definition of data and information
- B Presentation of data
- C Analysis of data: Measures of central tendency and dispersion
- D Frequency distributions

5 Correlation, regression and time series (25%)

- A Scatter diagrams, the correlation coefficient and the coefficient of determination
- B Linear regression
- C Time series analysis and trends
- D Seasonal variations with additive and multiplicative models

Format of the exam

	<i>Marks</i>
Section A: 10 compulsory multiple choice questions, 2 marks each	20
Section B: Any 4 out of 5 questions, 20 marks each	<u>80</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T3 Study Manual
- Lucey, T, *Quantitative Methods*, 6th edition, Thomson Learning, 2002
- Morris, C, *Quantitative Approaches in Business Studies*, 7th edition, FT Prentice Hall, 2008

T4 Business Economics

Learning outcomes

On successful completion of T4, students should be able to:

- 1 Explain economic concepts and terminology commonly used in commerce
- 2 Describe the role of market demand and supply in establishing prices and explain the role of government in regulating market failure in Zambia
- 3 Describe the main forms and goals of business operating in Zambia
- 4 Explain the theories of short and long run cost behaviour and short run profit maximisation
- 5 Describe the role of market structure and competition in establishing profits of a business and explain the role of government in modifying markets in Zambia
- 6 Explain the methodology used by the Central Statistical Office (CSO) in measuring National Income and describe the National Income and other data produced by the CSO
- 7 Identify the factors determining the levels of National Income in Zambia
- 8 Explain the main features of the monetary and financial environment affecting Zambian business and their likely impacts
- 9 Identify the impact on Zambia of the international sector and of major national and international economic institutions
- 10 Explain the role of government in stabilising and encouraging the development of the Zambian economy

Content

1 Introduction to economic concepts (5%)

- A The Economic Problem: scarcity, choice and opportunity costs
- B Production possibility frontier: causes of economic growth and reasons for inefficiency
- C Market versus Planned economic solutions to the economic problem and role of privatisation and liberalisation
- D Encouraging economic growth and development: primary, secondary and tertiary sectors; Zambian government policies for encouragement of diversity, growth and development; factors inhibiting growth in Zambia, the information economy and growth
- E Economics as a social science: methods of analysis and explanation used; positive versus normative economics

2 Price theory (10%)

- A Market demand and supply curves: derivation of equilibrium price
- B Elasticities of demand and supply
- C Causes of price instability in markets for primary goods
- D Price stabilisation approaches
- E Market failures and their regulation
- F Forms of markets and distribution networks

3 Forms of enterprise (5%)

- A Legal forms of business
- B Goals of enterprises

4 Cost theory and profit maximization (10%)

- A Short run cost behaviour: fixed and variable costs and the law of eventually diminishing marginal returns
- B Profit maximisation in the short run: Marginal Cost = Marginal Revenue (MC= MR)
- C Long run cost behaviour: economies and diseconomies of scale.

5 Market structures and competition (15%)

- A Structure, conduct, performance analysis: perfect competition, monopoly and monopolistic competition, including cartels
- B Behavioural theories of the firm: oligopoly, game theory, managerial theories
- C Market protection policies: industrial subsidies, tariffs and quotas, monopsonistic purchasing arrangements
- D Information economics: impact of reduced search costs and low variable costs of provision on market structures and pricing

6 National Income accounting (5%)

- A Central Statistical Office (CSO) methodology of constructing measures of Zambian National Income (NI)
- B Interpretation and uses of National Income data: cross sectional and time series evaluations; difficulties
- C Other CSO data: Census of Production, Population and Housing; Census of Agriculture; Balance of Payments (compiled by Bank of Zambia)

7 National Income determination (15%)

- A Aggregate demand and supply analysis of national income determination
- B Circular flow of income model of aggregate demand
- C Macroeconomic equilibrium conditions: injections and withdrawals, planned expenditure = national income
- D Keynesian multiplier theory
- E The business cycle

8 Monetary and financial environment of business (10%)

- A Financial intermediation: main financial deficit and surplus units; functions of intermediaries; Zambian financial intermediaries and markets (including equity markets)
- B Roles of Bank of Zambia: banker to banking system and government; implementation of monetary policy, fiscal agency, prudential supervision of banking and financial services; foreign exchange supervision
- C Credit creation by commercial banks: credit multiplier; measures of money stock (monetary aggregates); impacts of bank behaviour on business
- D Interest rate determination: calculation of bond and bill rates; main influences eg. yield curve, inflation, risk; impact of interest rates on equity markets
- E Global banking crisis: origins; consequences for banking and business; policies to resolve crisis

9 International sector (15%)

- A Theories of free trade and protectionism: comparative advantage; arguments for and against protectionism
- B Forms of protectionism and cross-national integration: policies; alliances (including Southern Africa Development Community (SADC)), common markets (including Common Market for Eastern and Southern Africa (COMESA)) customs unions, free trade areas and economic communities (including Economic Community of West African States (ECOWAS))
- C Balance of Payments: construction and characteristics of Zambian accounts; terms of trade; deficits and financing; capital flows
- D Exchange rates: calculation; determination; policies to manage exchange rates
- E International financial institutions and external debt: development funding; roles of World Bank Group; International Monetary Fund; impact of external debt on balance of payments

10 Government macroeconomic policy (10%)

- A Goals of macroeconomic policy in Zambia: role of Ministry of Finance and National Planning (MoFNP) in structural adjustment and poverty reduction; main elements of current National Development Plan; inflation control; balance of payments equilibrium
- B Zambian Public Financial Management system (PFM): sources of revenue; uses of government expenditure; role of external borrowing; impact of tax on distribution and incentives; public debt management; public sector investment
- C Inflation and hyperinflation: measurement of prices; consequences of inflation and hyperinflation; causes; policies to control inflation
- D Monetary policy: goals; direct and indirect instruments of monetary policy; consequences of monetary policy for business

Format of the exam

	<i>Marks</i>
Any 2 out of 3 questions on Microeconomics, 25 marks each	50
Any 2 out of 4 questions on Macroeconomics, 25 marks each	<u>50</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T4 Study Manual
- Griffiths, A and Wall, D, *Applied Economics*, 11th edition, FT Prentice Hall, 2007

T5 Taxation

Learning outcomes

On successful completion of T5, students should be able to:

- 1 Describe the principles of taxation and explain the role played by taxation in the economy
- 2 Calculate taxable income for unincorporated businesses and compute income tax payable thereon
- 3 Calculate Income Tax payable on emoluments from employment and advise on how it is paid under the Pay As You Earn system
- 4 Calculate taxable income from letting of property and calculate withholding tax on all investment income
- 5 Calculate company income tax payable and explain how it is payable
- 6 Calculate taxable profits from farming and compute income tax payable on farming and fishing income
- 7 Explain the treatment of transfers of value and calculate Property Transfer Tax payable
- 8 Explain the administrative procedures for direct taxes, including objections and appeals procedure
- 9 Calculate and account for Value Added Tax on all types of supply
- 10 Calculate Customs and Excise duties and advise on the clearing procedure for motor vehicles

Content

1 Role and purpose of taxation (10%)

- A The Zambian system of taxation
- B History of taxation in Zambia
- C Qualities of a good tax system
- D Functions of taxation in the economy
- E The role of the Ministry of Finance and the Zambia Revenue Authority
- F Classification of taxes
- G Taxable and exempt income and gains
- H Taxable and exempt persons
- I Residence, ordinary residence and domicile and their implications for taxation

2 Taxation of unincorporated businesses (15%)

- A Trades, professions and vocations and badges of trade
- B Computing taxable business profits for individual sole traders
- C Capital allowances on implements, plant and machinery, industrial buildings and commercial buildings
- D Computing taxable profits for partnerships and allocation to individual partners
- E Accounting dates and basis of assessment, including rules applicable on commencement, cessation and change of accounting date.
- F Computing Income Tax on business profits for sole traders and partners

G Relief for trading losses

H Presumptive taxes

3 Taxation of income from employment (15%)

A Emoluments, employment and office

B Employment compared with self-employment

C Basis of assessment for emoluments

D Taxable and exempt emoluments

E Taxation of benefits in kind

F Taxation of payments made on termination of employment

G Allowable expenses

H Operation of the Pay As You Earn system

4 Taxation of investment income received by individuals (10%)

A Types of investments for individuals and companies

B The withholding tax system

C Computing taxable income from letting of property and loss relief

D Treatment of income from savings and financial investments

E Treatment of dividends received from Zambian companies

5 Company income taxation (15%)

A Residence of a company for Income Tax purposes

B Taxation of business profits for companies

C Taxation of investment income received by companies

D Computing company Income Tax payable and its payment

E Relief for tax losses incurred by companies

6 Taxation of farming enterprises (10%)

A Characteristics of farming and fishing enterprises

B Computing farming profits for individuals and companies

C Capital allowances for farming enterprises

D Relief for losses from farming and fishing businesses

E Averaging of farming and fishing income

F Valuation of livestock

7 Property Transfer Tax (5%)

A Meaning of transfer and realised value

B Transfers within groups of companies

C Transfers to members of the immediate family

D Computation of property transfer tax and its payment

8 Administration of direct taxes (5%)

- A Comprehensive computation of Income Tax payable by Individuals
- B Payment of Income Tax by individuals
- C Payment of Income tax by incorporated businesses
- D Payment of withholding taxes, Turnover Tax, and Property Transfer Tax
- E Objections and appeals procedure
- F Role, functions and composition of the Revenue Appeal Tribunal

9 Value Added Tax (VAT) (10%)

- A Taxable and exempt supplies for VAT purposes
- B Registration and deregistration
- C The tax invoice, tax point and tax period
- D Recovery of input VAT, pre-registration input VAT and partial exemption
- E Bad debt relief
- F Special schemes
- G VAT inspection/control visits, payment of VAT, submission of VAT returns, penalties and appeals for review
- H Duty and reverse tax

10 Customs and Excise (5%)

- A Introduction to tariffs and computation of Customs Values (VDP), customs duty and excise duty
- B Importation and clearance of motor vehicles
- C Valuation principles applicable on imports
- D Exports and export concessions
- E Rules of origin and tax implications
- F Trade agreements and their benefits to the economy
- G Payment of Customs and Excise duties

Format of the exam

	<i>Marks</i>
Section A: 10 compulsory multiple choice questions, 2 marks each	20
Section B: Any 4 out of 5 questions, 20 marks each	<u>80</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T5 Study Manual
- Hassan, Mohammed Mulenga, *Taxation in Zambia*, ZICA

T6 Management

Learning outcomes

On successful completion of T6, students should be able to:

- 1 Identify the different types of organisation and key stakeholders
- 2 Explain how the strategic position of the organisation is evaluated
- 3 Explain how the organisation can be designed and structured for success
- 4 Discuss the role of managers and the theories of management
- 5 Discuss leadership theories, styles and issues
- 6 Explain the different theories of motivation
- 7 Explain the role of change management in implementing corporate strategy
- 8 Explain the importance of the recruitment process, training, development and evaluation of employees
- 9 Describe the specific challenges faced in managing a public sector organisation

Content

1 Different types of organisation and stakeholders (10%)

- A Different types of organisation and their characteristics
- B Benefits and limitations of different types of organisation
- C Different types of stakeholders
- D Small and medium-sized enterprises

2 Strategic position of an organisation (10%)

- A Fundamental nature of strategy
- B Relationship between different levels of strategy
- C Implementation of strategy
- D Assessment of the micro-environment
- E Assessment of the macro-environment, using PESTEL

3 Design and structuring of an organisation (10%)

- A Role and purpose of core functions
- B Different structures of organisations
- C Organisation of internal relationships
- D Design of structure, processes and relationships
- E Culture and behaviour

4 Role of the managers and theories of management (10%)

- A Role of the manager and principles of management
- B Management skills
- C Theories of management

5 Leadership theories, styles and issues (10%)

- A Difference between management and leadership
- B Theories of leadership
- C Leadership in modern organisations
- D Nature and uses of different styles of leadership
- E Uses, benefits and possible obstacles to delegation

6 Theories of motivation (10%)

- A Nature and process of motivation
- B Theories of motivation
- C Personal achievement and career development
- D Role of job design in motivation

7 Change management (15%)

- A Concept of strategic change
- B Different types of change
- C Impact of change triggers on organisation
- D Techniques for managing the change process
- E Role of leadership in managing change
- F Techniques for overcoming resistance to change
- G Relationship between change process and organisational culture
- H Ethical issues raised by change management and strategy implementation

8 Strategic human resources management (15%)

- A Role of human resources management
- B Process and methods of recruitment
- C Training and development process and use in improving performance
- D Purpose and process of performance evaluation

9 Public sector organisations (10%)

- A Definition of public sector organisations
- B Objectives of public sector organisations
- C Features, structure and issues arising in a community, non-profit organisation

Format of the exam

	<i>Marks</i>
Any 4 out of 5 questions, 25 marks each	100
Time allowed: 3 hours, plus 15 minutes reading time	

Recommended reading

- ZICA T6 Study Manual
- Bratton, J and Gold, J, *Human Resource Management: Theory and Practice*, 4th edition, Palgrave Macmillan, 2007
- Handy, C, *Understanding Organisations*, 4th edition, Penguin, 1993
- Mullins, L J, *Management and Organisational Behaviour*, 9th edition, FT Prentice Hall, 2010

T7 Information Technology and Communication

Learning outcomes

On successful completion of T7, students should be able to:

- 1 Demonstrate the core skills needed to operate a personal computer (PC) in the business environment
- 2 Demonstrate the communication skills expected of a professional accountant
- 3 Use spreadsheets to facilitate the presentation of data
- 4 Describe the elements of an organisation's information technology infrastructure
- 5 Explain how the quality and security of an information system can be protected

Content

1 Information technology skills (20%)

- A Common types of hardware and software used within a business organisation
- B Basic skills involved in operating a PC including Microsoft Windows, email and the Internet
- C Basic skills involved in operating word processing and spreadsheet software
- D Importance of using passwords and back-ups when operating a PC

2 Communication skills (20%)

- A Attributes of clear, effective and appropriate communication
- B Presentation of information using a variety of methods including business reports, business letters, memos and emails
- C Other methods of presenting information including tables, bar charts, pie charts and line graphs

3 Spreadsheets (10%)

- A Features of spreadsheets software
- B Uses of spreadsheet software in the day-to-day work of the accountant

4 Organisational information infrastructure (35%)

- A Main elements of an organisation's Information systems
- B Common types of Information technology (IT) network including Client-Server and Peer-to-Peer networks
- C Control issues arising from the introduction of a network
- D Types of accounting information systems and their roles
- E Role of databases within an accounting information system and common types of data processing
- F Ethical implications of accounting information systems

5 Information system quality and security (15%)

- A Importance of data quality and security
- B Common threats to data quality and security
- C Types of controls used to counter the threats to data quality and security

Format of the exam

	<i>Marks</i>
Section A: Any 3 out of 4 questions on Information Technology, 20 marks each	60
Section B: Any 2 out of 3 questions on Communication Skills, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA T7 Study Manual
- Bovee, C L, Thill, J V and Schatzmann, B E, *Business communication today*, 11th edition, FT Prentice Hall, 2011
- May, C B and May, G, *Effective Writing: A Handbook for Accountants*, 8th edition, FT Prentice Hall, 2008

4.2 Licentiate Level

Course Structure

L1	Financial Reporting
L2	Management Accounting
L3	Integrated Taxation
L4	Auditing
L5	Decision Making Techniques
L6	Corporate Financial Management
L7	Business and Corporate Law
L8	Risk and Management Control Systems

Licentiate membership of ZICA is acquired by application immediately upon successful completion of the course. The designation is ZICA Lic.

L1 Financial Reporting

Learning outcomes

On successful completion of L1, students should be able to:

- 1 Describe the conceptual and regulatory framework for financial reporting and apply the principles set out in the International Accounting Standards Board (IASB) *Framework*
- 2 Prepare single entity financial statements which comply with International Financial Reporting Standards (IFRS)
- 3 Interpret and analyse the information in published financial statements
- 4 Acquire basic understanding of how to prepare group financial statements which comply with IFRS
- 5 Identify the issues involved in preparing financial statements for specialised and public sector entities

Content

1 The conceptual and regulatory framework (10%)

- A The conceptual framework
- B The regulatory framework: IASB structure, global harmonisation

2 Financial statements (40%)

- A Presentation of financial statements
- B Non-current assets
- C Intangible assets
- D Impairment of assets
- E Reporting financial performance
- F Inventories and construction contracts
- G Provisions and events after the reporting period

- H Accounting for leases
- I Accounting for taxation
- J Statement of cash flows
- K Segment reporting

3 Interpretation and analysis (15%)

- A Earnings per share
- B Interpretation of financial statements

4 Group financial statements (25%)

- A Business combinations
- B Consolidated statement of financial position
- C Consolidated statements of financial performance
- D Accounting for associates

5 Specialised and public sector entities (10%)

- A Agriculture
- B Branch accounts
- C Public sector financial statements

Format of the exam

	<i>Marks</i>
Section A: 2 compulsory questions, 30 marks each	60
Section B: Any 2 out of 3 questions, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L1 Study Manual
- 2011 International Financial Reporting Standards, IFRS Foundation Education Initiative
- Abbas, A M, Holt, G J and Knorr, L, *Wiley Practical Implementation Guide and Workbook for IFRS*, 3rd edition, Wiley, 2011
- Dodge, R, *Foundations of Business Accounting*, 2nd edition, Cengage Learning, 1997
- Dunn, J, *Financial Reporting and Analysis*, Wiley, 2010
- Elliott, B J and Elliott, J, *Financial Accounting and Reporting*, 14th edition, FT Prentice Hall, 2010
- Wood, F and Sangster, A, *Business Accounting 1*, 12th edition, FT Prentice Hall, 2011
- Wood, F and Sangster, A, *Business Accounting 2*, 11th edition, FT Management, 2008

L2 Management Accounting

Learning outcomes

On successful completion of L2, students should be able to:

- 1 Explain the importance of management accounting for decision making and contrast it with financial accounting
- 2 Apply relevant costing principles to different scenarios and explain the use of relevant costing in short-term decision making
- 3 Apply the cost volume profit model and critically evaluate its value in decision making
- 4 Describe and evaluate different pricing strategies
- 5 Analyse cost and revenue variances and recommend appropriate responses to identified variances
- 6 Prepare those budgets commonly used in practice and explain the behavioural implications of using budget variances for performance evaluation
- 7 Apply alternative modern management accounting techniques and explain when each is appropriate

Content

1 Introduction to Management Accounting (5%)

- A Scope of Management Accounting
- B Management Accounting compared to Financial Accounting
- C The role of Management Accounting in cost analysis and decision making

2 Short-term decision making (15%)

- A Decision making process
- B Short-term decisions
- C Considerations for qualitative factors

3 Cost volume profit analysis (15%)

- A Nature of short term planning decisions
- B The accountant's Cost Volume Profit (CVP) Model
- C Practical applications of the CVP model
- D Critical evaluation of assumptions underlying the model
- E Comparison with the economist's CVP Model
- F Usefulness and limitations of the model

4 Costs and pricing decisions (15%)

- A Cost plus pricing
- B Marginal cost plus pricing
- C Target pricing
- D Life cycle pricing
- E Other pricing methods
- F Changes in price levels

5 Standard costing and variance analysis (15%)

- A Variance analysis for costs
- B Variance analysis for revenue
- C Variances and control
- D Operating statements using absorption costing and marginal costing

6 Budgeting and budgetary control (20%)

- A Introduction to budgeting: meaning and usefulness, benefits and limitations, the budgeting process
- B Types of budgets
- C Behavioural implications of budgeting and budgetary control
- D Application of Information technology in budget preparation
- E Forecasting

7 Modern management accounting techniques (15%)

- A Throughput accounting
- B Target costing
- C Life cycle costing
- D Backflush accounting
- E Kaizen costing

Format of the exam

	<i>Marks</i>
Section A: 2 compulsory questions, 30 marks each	60
Section B: Any 2 out of 3 questions, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L2 Study Manual
- Atkinson, A A, Kaplan, R S, Matsumura, M, and Young, S M, *Management Accounting: Information for Decision-Making and Strategy Execution*, 6th edition, FT Prentice Hall, 2011
- Drury, C, *Management and Cost Accounting*, 7th edition, Cengage Learning EMEA, 2008

L3 Integrated Taxation

Learning outcomes

On successful completion of L3, students should be able to:

- 1 Discuss the interaction of taxes, prepare relevant tax computations and advise when the taxes are payable
- 2 Evaluate the tax implications of the various investment opportunities and calculate the taxes payable
- 3 Evaluate the approaches to carrying out tax audit and investigations, and perform appropriate tax investigations
- 4 Calculate taxes payable on overseas transactions, including those of multinational enterprises
- 5 Calculate taxes payable on mining income and gains computed using applicable tax law
- 6 Calculate relevant taxes payable by enterprises in the insurance and financial services sector
- 7 Advise on the taxation implications of various financial arrangements that could be made by individuals and enterprises
- 8 Advise on the measures that could be put in place to minimise or defer taxation liabilities

Content

1 The interaction of taxes (15%)

- A Liability of various persons to taxes and collection of taxes using a wide range of methods such as self assessment, direct assessment, deduction at source and so on
- B Objections and appeals procedure in respect of all extant taxes
- C Income Tax liabilities for sole traders, partners, employees and individuals with investment income and farming income
- D Interaction of corporate taxation and withholding taxes
- E Value Added Tax, Customs and Excise, Capital Allowances and Income Tax
- F Property Transfer Tax, estates and trusts
- G Presumptive Taxes, Capital Allowances and losses

2 Taxation and Investment regulation in Zambia (10%)

- A Legal, administrative and political environment of the Zambian tax system
- B Types of business investment in Zambia
- C Taxation of inward investments
- D Taxation of outward investments
- E Taxation incentives under the Zambia Development Agency Act
- F Negotiating fiscal incentives with government
- G Legal, administrative and political environment of the Zambian tax system

3 Tax audit and investigations (10%)

- A Introduction to tax audits
- B Basis of accounting, ratio analysis and preliminary review of financial statements

- C The statement of financial position/balance sheet
- D Incomplete records of taxpayers
- E Uncovering hidden income
- F Perpetual tax loss position and loss harvesting

4 Overseas aspects of taxation (15%)

- A Liability of residents and non-residents to Income Tax
- B Liability of foreign income to Income Tax and basis of assessment
- C Trading within Common Market for Eastern and Southern Africa (COMESA) and Southern Africa Development Community (SADC)
- D Indirect taxes on overseas operations
- E Double taxation conventions and the Organisation for Economic Co-operation and Development (OECD) model
- F Methods of giving double taxation relief
- G Transfer pricing and thin capitalisation
- H Taxation of multinational enterprises
- I International tax avoidance

5 Taxation of mining operations (10%)

- A Introduction to mining operations
- B Treatment of revenue and capital expenditure, including environmental expenditure
- C Mining Tax losses and their indexation
- D Tax incentives for mining operations
- E Capital allowances and their indexation
- F Thin capitalization and tax treatment of hedging income
- G Income Tax computations for mining operations
- H Mineral Royalty Tax
- I Variable Profit Tax

6 Insurance and financial service operations (10%)

- A Nature of the financial services sector
- B Meaning of bank and insurance company for taxation purposes
- C Computing taxable income and Income Tax payable by banks
- D Computing Income Tax payable by insurance companies on both general insurance and life insurance business
- E Computing taxable income and Income Tax payable on management of pension

7 Financial arrangements and planning (15%)

- A General tax policy and financial principles relevant to the Income Tax treatment of financial instruments
- B Zambian tax law applicable to financial instruments including debt/equity rules, hire purchase, leasing and sale and lease back

- C Debt-financing techniques, particularly the treatment of interest surrogates and hybrid debt instruments
- D Personal financial planning
- E Collective investment plans
- F Deposit based investments
- G Pension scheme planning and the role of the National Pension Scheme Authority

8 Minimising and deferring taxation liabilities (15%)

- A Tax planning, tax avoidance and tax evasion
- B Employment compared with Self employment from a tax point of view
- C Tax implications of alternative remuneration packages
- D Choice of business medium
- E Tax implications of incorporation of a business
- F Tax treatment of alternative ways of extracting profits from a company
- G Tax implications arising from the disposal of a business
- H Income Tax assessment of consolidated groups
- I Treatment of entry and exits from a group
- J Treatment of group losses
- K Property Transfer Tax for groups of companies
- L Value Added Tax in groups of companies
- M Corporate insolvency and reconstruction

Format of the exam

	<i>Marks</i>
Section A: 2 compulsory questions, 30 marks each	60
Section B: Any 2 out of 3 questions, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L3 Study Manual

L4 Auditing

Learning outcomes

On successful completion of L4, students should be able to:

- 1 Explain the purpose and context of external audit and other assurance engagements
- 2 Explain the principles of good corporate governance, and apply professional and ethical codes in specified circumstances
- 3 Explain the nature of internal audit and its relationship with external audit, and describe forensic audit engagements
- 4 Demonstrate how an auditor plans an audit in accordance with International Standards on Auditing
- 5 Evaluate the effectiveness of systems of internal control and assess control risks and their potential consequences
- 6 Explain the audit evidence that the auditor requires to meet the objectives of the audit in accordance with International Standards on Auditing
- 7 Identify and describe the audit evidence and work that would be required in relation to specified areas of an audit conducted in accordance with International Standards on Auditing
- 8 Evaluate the findings of the audit and assess their potential impact on the auditor's report

Content

1 Purpose and context of audit (5%)

- A Concept of audit and assurance
- B Appointment and removal of the auditor, auditor rights and duties
- C Audit objectives and true and fair view

2 Corporate governance and codes of ethics (10%)

- A Purpose and principles of good corporate governance
- B Codes of professional ethics

3 Internal audit and other assurance engagements (5%)

- A Differences between external audit and internal audit
- B Internal audit: scope, limitations, assignments and reporting
- C Using the work of internal audit
- D Forensic audits

4 Audit planning and risk assessment (15%)

- A Audit risk
- B Materiality
- C Understanding the entity
- D Risk assessment
- E Audit planning and documentation

5 Internal control (20%)

- A Internal control: control environment and activities
- B Testing of internal control by external auditors
- C Tests of controls over accounting systems

6 Audit evidence – techniques (15%)

- A Audit evidence and financial statement assertions
- B Audit procedures
- C Accounting estimates
- D Audit sampling
- E Computer Assisted Audit Techniques

7 Audit evidence – areas (20%)

- A Tangible non-current assets
- B Inventory
- C Receivables
- D Cash and bank
- E Liabilities and capital

8 Review and reporting (10%)

- A Subsequent events
- B Going concern
- C Written representations
- D Overall review of financial statements
- E The auditor's report on financial statements
- F Reports to management

Format of the exam

	<i>Marks</i>
Section A: 2 compulsory questions, 30 marks each	60
Section B: Any 2 out of 3 questions, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L4 Study Manual
- *Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements*, International Audit and Assurance Board, 2010
- *Handbook of the Code of Ethics for Professional Accountants*, International Audit and Assurance Board, International Audit and Assurance Board, 2010

L5 Decision Making Techniques

Learning outcomes

On successful completion of L5, students should be able to:

- 1 Discuss business decisions and the decision-making process
- 2 Analyse data, making use of business modelling techniques including regression analysis, linear programming and time series
- 3 Apply business planning techniques including Material Requirements Planning (MRP) systems, inventory management and aggregate planning
- 4 Demonstrate the use of probability in decision making
- 5 Apply estimation techniques and hypothesis tests to aid the decision-making process

Content

1 Introduction to decision making (10%)

- A Types of business decision
- B The decision making process
- C Decision making techniques

2 Business modeling (20%)

- A Regression analysis
- B Correlation
- C Time series analysis
- D Linear programming (LP)
- E Simulation
- F Replacement analysis
- G Decision trees

3 Business planning (20%)

- A Project planning and control
- B Material Requirements Planning (MRP) systems
- C Inventory management
- D Aggregate planning

4 Probability (20%)

- A Addition and multiplicative laws
- B Probability trees and conditional probabilities
- C Bayes' rule
- D Discrete probability distributions
- E Continuous probability distributions

5 Inferential statistics (30%)

- A Estimation techniques
- B Hypothesis testing
- C Chi-Square test
- D Analysis of variance (Anova)

Format of the exam

	<i>Marks</i>
Any 5 out of 7 questions, 20 marks each	100
Time allowed: 3 hours, plus 15 minutes reading time	

Recommended reading

- ZICA L5 Study Manual
- Lucey, T, *Quantitative Methods*, 6th edition, Thomson Learning, 2002
- Morris, C, *Quantitative Approaches in Business Studies*, 7th edition, FT Prentice Hall, 2008
- Owen, F and Jones, R, *Statistics*, 4th edition, FT Management, 1994

L6 Corporate Financial Management

Learning outcomes

On successful completion of L6, students should be able to:

- 1 Explain the role and purpose of financial management
- 2 Describe the role of financial institutions and markets within an economy
- 3 Explain the relevance of key ratios and planning and control to the performance of a company
- 4 Identify an appropriate working capital strategy for a company
- 5 Assess whether a proposed capital project should be undertaken
- 6 Evaluate appropriate sources of finance for a given situation
- 7 Calculate a weighted average cost of capital for an organisation
- 8 Compare and contrast different business valuation methods
- 9 Identify a suitable method for managing foreign exchange risk

Content

1 Financial management and objectives (5%)

- A Nature and purpose of financial management
- B Role and functions of the finance manager
- C Organisational and financial objectives

2 The financial system in an economy (5%)

- A Role of a financial system
- B Components of a financial system
- C Financial institutions
- D Financial markets
- E The Zambian financial system

3 Financial analysis (10%)

- A Financial analysis techniques and ratios
- B Benefits and limitations of techniques
- C Importance of financial planning and control
- D Forecasting and techniques of financial planning and control

4 Working capital management (15%)

- A The elements of working capital and their role
- B Investment in current assets
- C Financing policies for current assets
- D Overtrading
- E Cash management
- F Receivables management

- G Payables management
- H Inventory management

5 Capital investment and appraisal (15%)

- A Capital budgeting
- B Time value of money: Discounting, compounding, annuities, perpetuities
- C Investment appraisal methods: Net Present Value, Internal Rate of Return, Accounting Rate of Return, payback
- D Comparison and evaluation of methods
- E Inflation and tax in investment appraisal
- F Treatment of risk and uncertainty in investment appraisal
- G Other investment appraisal issues

6 Sources of finance (15%)

- A Short-term sources of finance
- B Impact of long-term finance on growth and development
- C Debt finance
- D Equity finance
- E Other sources of finance
- F Dividend policy

7 Cost of capital (10%)

- A Risk, return and cost of capital
- B Cost of debt
- C Cost of equity
- D Capital Asset Pricing Model (CAPM)
- E Portfolio theory
- F Impact of capital structure
- G Modigliani-Miller theory

8 Business valuations (15%)

- A Purpose of business valuations
- B Income based valuation methods
- C Cash flow based valuation methods
- D Asset based valuation methods

9 Finance for international trade (10%)

- A Differences with international trade
- B Payment methods
- C Export and import finance
- D Foreign exchange risk

- E Cause of exchange rate fluctuations
- F Managing foreign exchange risk

Format of the exam

	<i>Marks</i>
Section A: 2 compulsory questions, 30 marks each	60
Section B: Any 2 out of 3 questions, 20 marks each	<u>40</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L6 Study Manual
- Arnold, G, *Corporate Financial Management*, 4th edition, FT Prentice Hall, 2008
- Atrill, P, *Financial Management for decision-makers*, 5th edition, FT Prentice Hall, 2008
- Brealey, R A, Myers, S C and Marcus, A J, *Fundamentals of Corporate Finance*, 6th edition, McGraw-Hill, 2008
- McLaney, E J, *Business Finance Theory and Practice*, 8th edition, FT Prentice Hall, 2009
- Watson, D and Head, A, *Corporate Finance: Principles and Practice*, 5th edition, FT Prentice Hall, 2009

L7 Business and Corporate Law

Learning outcomes

On successful completion of L7, students should be able to:

- 1 Identify the main sources of Zambian law and other essential elements of the Zambian legal system
- 2 Explain and apply the legal rules relating to the law of obligations
- 3 Explain and demonstrate how the Sales of Goods Act 1893 impacts upon contracts
- 4 Explain and apply the law relating to employment relationships
- 5 Explain and apply the law relating to agent-principal relationships
- 6 Explain and apply the law of torts
- 7 Distinguish between different types of company
- 8 Explain and apply the law relating to partnership arrangements
- 9 Apply the concept of separate legal personality to companies
- 10 Compare share and loan capital and explain the rules relating to the financing of companies
- 11 Explain the rules relating to the management, administration and governance of companies
- 12 Explain the legal rules relating to corporate insolvency

Content

1 Essential elements of the Zambian legal system (5%)

- A The constitution as a primary source of law
- B Legislation and the interpretation of statutory law
- C Case law and the court structure
- D The reception of common law, equity and English statutes in Zambia
- E Distinction between criminal and civil liability

2 Law of obligations (25%)

- A Essential elements of a valid contract
- B Terms and conditions of a contract
- C Misrepresentation as a vitiating factor
- D Discharge or termination of contract
- E Various remedies under the law of contract

3 Contracts under the Sales of Goods Act 1893 (5%)

- A Definitions, conditions and warranties
- B Transfer of property, risk and title to the goods

4 Employment law (5%)

- A Distinction between contract of service and contract for services
- B Types of employment contracts under the Employment Act, Chapter 268 of the Laws of Zambia

- C Vicarious liability
- D Dismissal and redundancy

5 Agency law (5%)

- A Establishment of the agent/principal relationship
- B Authority of an agent
- C Rights and duties of both the agent and the principal
- D Termination of agent/principal relationship

6 The law of torts (5%)

- A Definition
- B Negligence
- C Professional negligence
- D Defences and remedies

7 Formation of business organisations (5%)

- A Types of companies

8 Partnerships (5%)

- A Formation and types of partners
- B The partnership agreement
- C Rights and duties in a partnership
- D Dissolution
- E Limited liability partnerships

9 Companies and legal personalities (5%)

10 Capital and financing of companies (10%)

- A Share capital
- B Loan capital
- C Capital maintenance

11 Management, administration and governance of companies (15%)

- A Company directors
- B Meetings and resolutions
- C Officers of the company
- D Corporate governance and ethical issues

12 Corporate insolvency (10%)

- A Liquidation and winding up of a company

Format of the exam

		<i>Marks</i>
Section A	Any 2 out of 3 questions on Business Law, 25 marks each	50
Section B	Any 2 out of 3 questions on Corporate Law, 25 marks each	<u>50</u>
		<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA L7 Study Manual

L8 Risk and Management Control Systems

Learning outcomes

On successful completion of L8, students should be able to:

- 1 Discuss the types of risk that organisations face and evaluate risk management strategies and policies
- 2 Discuss the corporate governance issues that organisations face and evaluate corporate governance systems and policies
- 3 Evaluate control systems for the management of operations and resources
- 4 Evaluate the role of information systems in an organisation's control systems and discuss the risks associated with information systems

Content

1 Risks and risk management (25%)

- A Types of risk
- B Risk management systems
- C Risk analysis
- D Risk management procedures
- E Risk management responsibilities

2 Corporate governance (20%)

- A Principles of corporate governance
- B Corporate governance legislation and codes
- C Board of directors
- D Directors' remuneration
- E Relations with shareholders and stakeholders
- F Reporting on corporate governance

3 Control systems (35%)

- A Components of control systems
- B Structure of organisations
- C Organisational culture
- D Human resources
- E Control environment
- F Control procedures
- G Management accounting control systems
- H Control of business ethics
- I Role of internal audit and audit committee
- J Board and management review

4 Role and development of Information systems (20%)

- A Uses of information for control purposes
- B Information systems, Information technology and Information management strategies
- C Information technology systems
- D The Information technology function
- E Risks to Information systems
- F Ethical issues
- G Systems development

Format of the exam

	<i>Marks</i>
Any 4 out of 5 questions, 25 marks each	100
Time allowed: 3 hours, plus 15 minutes reading time	

Recommended reading

- ZICA L8 Study Manual
- Bank of Zambia Banking and Financial Services (Corporate Governance) Guidelines, 2006
- King Code Governance for South Africa 2009
- UK Corporate Governance Code 2010
- Mallin, C, *Corporate governance*, 3rd edition, Oxford University Press, 2009
- Merna, A and AlThani, F F, *Corporate risk management*, 2nd edition, Wiley, 2008

4.3 Professional Level

Course Structure

P1	Advanced Financial Reporting
P2	Advanced Management Accounting
P3	Strategic Financial Management
P4	Audit and Assurance
P5	Strategic Management

Upon successful completion of the Professional Level, a student will require three years' experience to be able to apply for Associate membership of ZICA.

P1 Advanced Financial Reporting

Learning outcomes

On successful completion of P1, students should be able to:

- 1 Prepare group financial statements in accordance with International Financial Reporting Standards and International Accounting Standards
- 2 Apply full International Financial Reporting Standards and International Accounting Standards to group and single entity financial statements
- 3 Analyse financial performance and position and produce relevant reports
- 4 Evaluate issues in recognition and measurement, capital maintenance and substance over form
- 5 Identify and discuss current developments in financial and non-financial reporting

Content

1 Group financial statements (35%)

- A Group accounting principles and fair value
- B Associates and joint ventures
- C Complex groups
- D Changes in group structure
- E Foreign transactions and entities
- F Consolidated statement of cash flows

2 Full International Financial Reporting and Accounting Standards (30%)

- A Non-current assets
- B Financial instruments
- C Income taxes
- D Provisions and events after the reporting period
- E Reporting financial performance
- F Accounting for leases

- G Employee benefits
- H Extractive industries
- I Share-based payment

3 Analysis of position and performance (15%)

- A Earnings per share
- B Ratio and segment analysis

4 Measurement of capital and income (10%)

- A Substance over form
- B Accounting for the effects of changing prices

5 Current developments (10%)

- A Current issues
- B International developments
- C Environmental and social issues

Format of the exam

	<i>Marks</i>
Section A: 1 compulsory question, 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	<u>60</u>
	<u>100</u>

Time allowed:

Recommended reading

- ZICA P1 Study Manual
- 2011 International Financial Reporting Standards, IFRS Foundation Education Initiative
- Abbas, A M, Holt, G J and Knorr, L, *Wiley Practical Implementation Guide and Workbook for IFRS*, 3rd edition, Wiley, 2011
- Ernst and Young, *International GAAP 2010*, LexisNexis, 2010
- Pendlebury, M, Fanning, D and Groves, R, *Company Accounts: Analysis, Interpretation and Understanding*, 6th edition, Thomson Learning, 2003

P2 Advanced Management Accounting

Learning outcomes

On successful completion of P2, students should be able to:

- 1 Demonstrate an awareness of the modern environment of the organisation and the emergence of the modern management accountant
- 2 Identify and apply modern information technology used in management accounting information and advanced manufacturing technology
- 3 Analyse and apply a range of decision making techniques reflecting factors such as risk, uncertainty and the rate of learning
- 4 Recommend different pricing strategies, including transfer prices, taking account of the organisation's objectives
- 5 Evaluate budget models, taking account of modern developments such as beyond budgeting and behavioural issues, and analyse and apply advanced budget variances
- 6 Analyse and apply modern cost analysis techniques designed to control and reduce costs and enhance value
- 7 Evaluate and apply a range of financial and non-financial performance measures
- 8 Evaluate capital investment decisions, applying appropriate techniques
- 9 Apply the principles and techniques of management accounting in the public sector and not-for-profit organisations
- 10 Analyse and apply alternative modern accounting techniques and philosophies and discuss when each is appropriate

Content

1 Modern environment (10%)

- A Business environment
- B Modern management accountant
- C Organisation background and theories
- D Performance hierarchy: mission, vision, goals and objectives
- E Ethics

2 Information technology and management accounting (5%)

- A Management Information Systems
- B Transaction Processing Systems
- C Computer aided design (CAD) and Computer aided manufacturing (CAM)
- D Flexible manufacturing

3 Decision making techniques (10%)

- A Sensitivity analysis
- B Learning curves
- C Linear programming
- D Risk and uncertainty

- E Relevant costs
- F Breakeven analysis and Cost Volume Profit analysis

4 Pricing and transfer pricing strategies (5%)

- A Pricing methods
- B Transfer pricing methods

5 Advanced budgeting and budgetary control (10%)

- A Recap of traditional techniques
- B Beyond budgeting
- C Budgets and behaviour
- D Advanced variance analysis

6 Modern cost analysis techniques (10%)

- A Cost reduction
- B Cost control
- C Value analysis and value engineering
- D Business Process Reengineering

7 Financial and non-financial performance measures (15%)

- A Financial measures
- B Non-financial measures
- C Value For Money
- D Broader measures of performance
- E Divisional measures

8 Capital investment decisions (15%)

- A Net present value inc taxation and inflation
- B Internal rate of return and modified internal rate of return
- C Payback and discounted payback
- D Accounting rate of return
- E Leasing and hire purchase transactions
- F Cost-benefit analysis
- G Post project completion audit

9 Public sector and not-for-profit performance measurement (5%)

- A Public sector environment
- B Not-for-profit and voluntary organisations
- C Applying financial and non-financial measures

10 Modern management accounting techniques and philosophies (15%)

- A Activity based costing
- B Target costing
- C Service costing

- D Lifecycle costing
- E Backflush accounting
- F Throughput accounting
- G Manufacturing Resource Planning (MRP/MRP II)
- H Enterprise Resource Planning (ERP)
- I World Class Manufacturing and Costs of quality
- J Just In Time and Lean Manufacturing

Format of the exam

	<i>Marks</i>
Section A: 1 compulsory question, 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	<u>60</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA P2 Study Manual
- Atkinson, A A, Kaplan, R S, Matsumura, M, and Young, S M, *Management Accounting: Information for Decision-Making and Strategy Execution*, 6th edition, FT Prentice Hall, 2011
- Atrill, P and McLaney, E, *Management Accounting for Decision Makers*, 6th edition, FT Prentice Hall, 2009
- Drury, C, *Management and Cost Accounting*, 7th edition, Cengage Learning EMEA, 2008
- Hope, J and Fraser R, *Beyond Budgeting: How Managers can break free from the annual performance trap*, 1st edition, Harvard Business School Press, 2003

P3 Strategic Financial Management

Learning outcomes

On successful completion of P3, students should be able to:

- 1 Evaluate the issues involved in the formulation of an organisation's financial strategies
- 2 Evaluate the various types of investment opportunities that may be available to an organisation, using appropriate techniques and considering the major issues that may arise
- 3 Evaluate the various financing options available to an organisation and recommend the most appropriate strategy based on the organisation's objectives
- 4 Assess the role of the treasury management function within an organisation
- 5 Evaluate the extent to which an organisation is exposed to foreign exchange and interest rate risks and recommend appropriate strategies to manage these risks
- 6 Analyse the impact of, and how to manage, global issues, including the management of international trade and the development of strategic financial plans

Content

1 Formulation of financial strategy (10%)

- A Financial strategy objectives and the constraints on various elements of financial strategy
- B Evaluation of different financial strategies with the various financial objectives of an organisation
- C Conflicting stakeholder interests and their effect on financial strategy formulation

2 Investment decisions (35%)

- A Evaluation of value added to shareholders by a project using discounted cash flow techniques
- B Business valuations
- C Mergers and acquisitions
- D Divestments and management buyouts
- E Evaluation of procedures for investment projects

3 Financing decisions (10%)

- A Short and long term financing requirements
- B Alternative methods of financing, including impact of tax, and implications of different methods on financial statements

4 Treasury management (10%)

- A Role of treasury function
- B Role of money markets
- C Operations of derivatives markets

5 Foreign exchange and interest risk management (25%)

- A Evaluation of the extent of foreign exchange and interest rate risks for a particular company
- B Appropriate hedging strategy for foreign exchange risk
- C Appropriate hedging strategy for interest rate risk

6 Global issues and the multinational company (10%)

- A Emerging issues in the global financial markets
- B Developments in international trade and finance
- C Management of international trade and finance
- D Development of strategic financial plan for multinationals

Format of the exam

	<i>Marks</i>
Section A: 1 compulsory question, 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	<u>60</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA P3 Study Manual
- Arnold, G, *Corporate Financial Management*, 4th edition, FT Prentice Hall, 2008
- Atrill, P, *Financial Management for decision-makers*, 5th edition, FT Prentice Hall, 2008
- Brealey, R A, Myers, S C and Marcus, A J, *Fundamentals of Corporate Finance*, 6th edition, McGraw-Hill, 2008
- McLaney, E J, *Business Finance Theory and Practice*, 8th edition, FT Prentice Hall, 2009
- Watson, D and Head, A, *Corporate Finance: Principles and Practice*, 5th edition, FT Prentice Hall, 2009

P4 Audit and Assurance

Learning outcomes

On successful completion of P4, students should be able to:

- 1 Discuss the purpose and content of external audit and other assurance engagements
- 2 Discuss the requirements imposed on assurance providers by legislation and regulation
- 3 Evaluate a firm's policies in relation to obtaining, accepting and managing assurance engagements
- 4 Evaluate business risks and audit risks in specific circumstances and produce appropriate audit strategies and plans
- 5 Recommend and evaluate audit evidence in response to specified audit risks in relation to specific elements of the financial statements
- 6 Evaluate audit findings and perform analysis of draft financial statements to produce final audit conclusions
- 7 Produce appropriate auditor's reports in specified circumstances and evaluate draft reports
- 8 Demonstrate and apply knowledge of the issues arising in the context of group audits and transnational audits
- 9 Evaluate risks, recommend evidence and produce reports in line with IAASB guidance on other types of engagement
- 10 Discuss current developments in audit and assurance

Content

1 Overview of the role of audit and assurance (5%)

- A Objective and purpose of an audit
- B Preconditions for audit
- C Public sector audit
- D Definition and role of assurance

2 Legal and regulatory frameworks (5%)

- A Corporate governance
- B Laws and regulations
- C Fraud
- D Money laundering
- E Auditor liability

3 Obtaining, accepting and managing audit and assurance engagements (10%)

- A Ethics
- B Quality control

4 Risk assessment and planning (20%)

- A Business risk
- B Risk of material misstatement

- C Materiality
- D Analytical procedures
- E Documentation

5 Audit evidence (15%)

- A Responses to risks
- B Evidence

6 Review and conclusions (10%)

- A Related parties
- B Subsequent events
- C Other information in documents containing audited financial statements
- D Comparative information
- E Going concern
- F Written representations

7 Reporting (10%)

- A Auditor's reports
- B Modified opinions
- C Emphasis of matter and other matters paragraphs

8 Group audits and transnational audits (10%)

- A Group audits
- B Transnational audits

9 Other assignments (10%)

- A Specialised audits
- B Reviews
- C Prospective financial information
- D Agreed-upon procedures
- E Compilations

10 Current developments in audit and assurance (5%)

- A Social and environmental audits
- B Implementation of Clarity International Standards on Auditing (ISAs)
- C International Auditing and Assurance Standards Board (IAASB) work schedule

Format of the exam

	<i>Marks</i>
Section A: 1 compulsory question, 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	<u>60</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA P4 Study Manual
- *Handbook of International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements*, International Audit and Assurance Board, 2010
- *Handbook of the Code of Ethics for Professional Accountants*, International Audit and Assurance Board, International Audit and Assurance Board, 2010

P5 Strategic Management

Learning outcomes

On successful completion of P5, students should be able to:

- 1 Evaluate the ways organisations develop corporate strategy
- 2 Evaluate the ways the external environment affects an organisation's strategy development
- 3 Evaluate the ways an organisation's resources and capabilities affect its strategy development
- 4 Discuss the ways ethics and social responsibility affect an organisation's strategy
- 5 Analyse the tools and techniques used in strategy formulation
- 6 Analyse the ways organisations identify and evaluate strategic options
- 7 Evaluate the impact of information systems on organisations and their strategies
- 8 Assess the role of marketing in delivering corporate strategy
- 9 Evaluate the tools and processes of implementation and managing strategic performance

Content

1 Developing corporate strategy (10%)

- A Different approaches to strategy formulation
- B Elements of strategic management
- C Mission statements and objectives
- D Non-market strategy and corporate political activity
- E The relationship between organisational structure and strategy
- F Role and responsibilities of directors in developing strategy

2 Understanding the external environment (10%)

- A The impact of the external environment on an organisation and its strategy
- B Opportunities and threats
- C The impact of the industry on the organisation
- D National competitive advantage
- E Globalisation and strategy

3 Resources and capabilities (10%)

- A Strengths, weaknesses and strategy development
- B Product portfolios
- C Core competences
- D Value chain
- E Innovation and developing new products
- F The importance of learning and knowledge management
- G Collaboration and networking
- H Benchmarking

4 Ethics and social responsibility (10%)

- A The influence of stakeholders
- B Managing stakeholders
- C The impact of corporate social responsibility on corporate strategy
- D The impact of sustainability on corporate strategy
- E Ethics and corporate strategy
- F Culture and the organisation

5 Tools and techniques used in strategy formulation (10%)

- A Qualitative and quantitative tools used to support strategic decision making
- B Gap analysis
- C Forecasting and forecasting techniques
- D Scenario planning
- E Using environmental information and competitor analysis in strategy formulation
- F Role of corporate parents in building business portfolios

6 Evaluating strategic options (15%)

- A Identifying possible strategic options
- B Methods of strategic growth
- C Market entry strategies
- D Divestment and rationalization
- E Assessing the suitability, acceptability and feasibility of strategic options

7 Information systems and strategy (10%)

- A Impact of Information systems on organisations
- B Relationship between Information systems / Information technology strategy and corporate strategy
- C Role of Information systems/ Information technology in creating competitive advantage
- D Impact of Information technology on organisations
- E The impact of contemporary developments in Information technology on organisational strategy
- F The impact of e-commerce on organisations and business

8 Marketing and corporate strategy (10%)

- A Understanding customers and markets
- B Different approaches to marketing
- C Relationship between marketing strategy and corporate strategy
- D Using information and technology in marketing
- E E-marketing
- F Using electronic media to increase customer value

9 Strategic implementation and performance management (15%)

- A Project management and implementing strategic plans
- B Processes and strategy
- C Change management in strategy implementation
- D Human resources management (HRM) and delivering strategy
- E Strategic control in multi-divisional and multi-national organisations
- F Financial and non-financial models of performance measurement
- G Critical Success Factors (CSFs) and Key Performance Indicators (KPIs) in performance management

Format of the exam

	<i>Marks</i>
Section A: 1 compulsory question, 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	<u>60</u>
	<u>100</u>

Time allowed: 3 hours, plus 15 minutes reading time

Recommended reading

- ZICA P5 Study Manual
- Johnson, G, Scholes, K and Whittington, R, *Exploring Corporate Strategy*, 8th edition, FT Prentice Hall, 2009

5.0 Rules and Regulations

5.1 Progression

A candidate who has one arrear shall be allowed to attempt a maximum of two subjects at higher level.

A candidate who has two arrears shall be allowed to attempt one subject only at higher level.

However, should the candidate pass the subject (s) at higher level as provided for above, but still fails to clear the arrear(s), he/she shall **not** be allowed to attempt any other subject(s) at the higher level **until** he/she clears the arrear(s).

A candidate with an arrear in T1 Financial Accounting shall not be allowed to attempt L1 Financial Reporting.

A candidate with an arrear in T2 Cost Accounting shall not be allowed to attempt L2 Management Accounting.

A candidate with an arrear in T3 Mathematics and Statistics shall not be allowed to attempt (L5) Decision Making Techniques.

A candidate with an arrear in T5 Taxation shall not be allowed to attempt L3 Integrated Taxation.

A candidate with an arrear in L1 Financial Reporting shall not be allowed to attempt P1 Advanced Financial Reporting.

A candidate with an arrear in L2 Management Accounting shall not be allowed to attempt P2 Advanced Management Accounting.

A candidate with an arrear in L4 Auditing shall not be allowed to attempt P4 Audit and Assurance.

A candidate with an arrear in L6 Corporate Financial Management shall not be allowed to attempt P3 Strategic Financial Management.

5.2 Exemptions

The Zambia Institute of Chartered Accountants subscribes to the principle of recognition of prior learning.

Students seeking exemptions must apply by completing the relevant sections in the student registration form.

All applications must be accompanied by certified copies of certificates and results transcript (academic record) issued by the relevant examining body. In addition, detailed syllabi for the subjects which form the basis for the application must also be submitted. Official translations should be provided where any of the documents referred to above is not in English.

The exemptions committee shall consider and grant exemptions to ZICA programme subjects on merit using the following criteria:

- There is at least 75% content overlap between the subject for which the recognition is being applied and the one(s) which is/ (are) the basis for application.

- The examining body that issued the qualification is recognised by the authorities in the country of origin.
- The pass mark is at least 50% and has not been compromised.
- Tests and assignments do not exceed 40% of the final grade awarded.

The decisions of the exemption committee shall be final and no appeal shall be allowed.

No exemptions shall be considered in the following circumstances:

- Where an application is for a subject at the Professional Level of the ZICA programme.
- Where an application is based on non-certified learning.

Exemption fees are payable, equivalent to the ruling examinations fees for the subjects that have been applied for. Fees are payable on application.

It is recommended that, where candidates' study plan is dependent on the exemptions to be awarded, applications should be submitted before 31 January and 31 July for the June and December examinations respectively, to allow adequate time for processing. In those cases, candidates are advised to wait for a response before entering for any examinations.

Non-accounting qualifications will not attract exemptions in T1 – Financial Accounting and T3 – Mathematics and Statistics, even if similar subjects are part of the syllabi for such qualifications.

5.3 Deferments

Students who wish to defer any examination shall make an application in writing. Applications for deferment of examinations shall only be allowed on three conditions:

- **Illness** – applications for deferment are only authorized where illness is supported by a certificate issued by a registered medical practitioner.
- **Loss of an immediate family member** – applications are only authorized if the person who has died is the spouse, child, biological parent or direct guardian of the candidate. The application must be supported by the death certificate and burial permit for the family member who has died.
- **Legal grounds** – applications for deferment are allowed for persons who are required to attend court sessions or to give evidence in courts of law at the same time as they are expected to sit an examination.

Notwithstanding the statements above, applications for deferment shall only be considered if they are received by the Institute up to one month (30 days) before the examination dates.

5.4 Remarking

Under no circumstances shall remarking of the examination answer script(s) be permitted. Script verification will however be done at the discretion of the Institute upon receipt of a complaint

Candidates applying for script verification will be required to pay a non-refundable fee as will be determined by the Institute.

All complaints regarding the examinations shall be launched with the Manager – Education and Examinations – within three (3) months after the results have been published.

5.5 Certification

Upon successful completion and passing of each of the levels, ZICA shall, at each level, award certificates to successful students. The Institute shall have the liberty to withdraw the award of a certificate if it has been proved that it was done so erroneously. There shall be no appeal against the withdrawal.

5.6 Examination Malpractices and Penalties

The types of malpractices and penalties are listed below

Malpractice	Recommended Actions/Penalties
Attempting to go or going into the examination room with unauthorized notes or materials	Invigilator to write a report and ensure that the candidate writes an exculpatory letter and leaves the examination immediately.
Impersonation – where somebody else writes for the candidate	Nullify all results for that sitting,
Copying from each other	Invigilator to write a report. If two or more candidates connive to share their solutions, nullify results in that particular subject. If one candidate copies from the other without consent, nullify the results for the one copying in that particular subject. Where two or more candidates have copied from each other for more than one subject, nullify all their results for that particular sitting.
Submission of two or more answer scripts	Examiner to write a report. Nullify results for that particular subject.
Widespread cheating at an examination centre in one paper	This may include poor invigilation; poor seating arrangements; candidates being assisted; candidates having prior knowledge of examination questions. In all cases: <ul style="list-style-type: none">• The first time – nullify results for affected subjects and warn the centre• The second time – nullify results for affected subjects and suspend the centre• The third time – nullify results for affected subjects and close the centre
Misconduct	This may include, but is not limited to, going to the examination room drunk; engaging in harassment of ZICA staff, invigilators, support staff or other candidates either verbally or physically. The candidate shall be expelled from the programme with no room for appeal.
Exhibiting false examination documents	This includes exhibiting false school certificates, results transcripts and/or certificates. The student shall be expelled from the ZICA programme with immediate effect.

6.0 Study Guidance

6.1 How to study

Have a positive attitude

You have a lot to learn. However others have passed and so can you. You should focus on all the **benefits** that passing the exam will bring you. Studying may seem difficult at times, but you are doing it for a reason – to advance your career.

Focus on the exams

You need to keep the exam firmly in your sights throughout your studies. You should read the guidance in the front pages of the Study Manual about the exam. You should also look out for all the references to the exam in Chapter introductions, Exam alerts and other places in the Study Manual.

Organise your time

Before you start studying you must organise yourself properly. You need to timetable your studies, to ensure that you have enough time to cover the entire syllabus and revise it. Choose the notes format that is most helpful to you. Do not copy out too much, but summarise key areas that show you understand the entire syllabus content of your subject.

Learn actively

There are various ways in which you can keep your mind active when studying and hence improve your understanding and recall of material. You should keep asking yourself how what you're studying fits into the whole picture of the exam. If you are not sure, go through the Introduction of the Chapter and front pages of the Study Manual. You will also increase your understanding of the syllabus by going carefully through every example and trying every question in the Study Manual.

Review what you have learnt

Regularly reviewing the topics you're studying will help cement your understanding. The Study Manual will help you do this. The Chapter roundups summarise the key points in each chapter. The Quick quizzes test your grasp of the essential knowledge in each chapter.

How to revise

Plan your revision

At the start of your revision period, you should draw up a timetable to plan how long you will spend on each subject and how you will revise each area. You need to consider the total time you have available and also the time that will be required to revise for other exams you are taking. It is important not to spend too much time on small areas, and leave yourself insufficient time to cover the rest of the syllabus.

Questions for Practise

You will significantly improve your chances of passing the exam by practising exam-standard questions. Answering full questions against the clock will mean that you'll get used to the time pressure of the exam and will help you improve your written communication skills. When the time is up, you may well find it useful to note where you have reached and then to try to complete the question, giving yourself practice at all the techniques that the question tests. You should attempt the questions before you read the answers. Reading the answers without doing the questions will give you false assurance that you would have tackled the question in the best way and made the points that the answer does. You should also practise written and numerical questions, don't only attempt calculation questions.

Revise the whole syllabus

Make sure that your revision covers the entire syllabus. Examiners are well aware that some students only revise those syllabus areas that they think will be examined. Examiners try to prevent this by doing the unexpected, for example setting questions on the same topic in successive sittings. The most important topics in a syllabus often appear in questions. You need to identify these topics and spend sufficient time revising them. Take time to ensure you know the fundamental calculations, proformas and preferred report layouts for each examination, to increase your chances of scoring higher marks.

Deal with difficult areas

Difficult areas are topics you find dull and pointless, or subjects that you found problematic when you were studying them. You must not become negative about these topics. Instead you should build up your knowledge by reading the Chapter summaries and using the Quick quiz questions in the Study Manual to test yourself. When practising questions, go back to the Study Manual if you are struggling.

Learn from your mistakes

When you complete a question you should try to look at your answer critically. It is worth noting mistakes you have made, and referring to these notes in the days before the exam. You should aim to learn at least one new point from each question you attempt, a technical point perhaps or a point on style or approach.

How to pass your exams

Prepare for the day

You should allow plenty of time to get to the examination room and plan to arrive well in advance of the starting time, so that you may be seated and accustomed to your surroundings by the time the examination begins. You should have your route planned in advance and should try to find out about potential travel problems. You should check the night before to see that you have:

- Pens
- Pencils
- Erasers
- Watch
- Calculator with spare batteries
- Exam documentation and evidence of identity

You should not however bring paper or printed material into the examination room.

Select the right questions

You should select the optional questions you feel you can answer best, basing your selection on:

- The topics the question covers
- The requirements of the question
- How easy it will be to apply the requirements
- The availability of easy marks

Plan your time

You need to make sure that you answer the correct number of questions. You should also ensure that you spend the right length of time on each question. This will be determined by the number of marks available. Each mark carries with it a **time allocation of 1.8 minutes**. A 25 mark question therefore should be selected, completed and checked in 45 minutes. If you have not finished a question when the budgeted time is up, you should leave it and maybe return to it once you have completed the rest of the paper. The number of marks will also help to indicate the expected length and require depth of the answer.

Read the requirements carefully

It's often best to read the requirements first. To score well, you must follow the requirements of the question, understanding what aspects of the subject area are being covered, and the tasks you will have to carry out. Failing to provide everything the examiner asks for will limit the marks you can score. The requirements will also help you identify the most important information in the scenario more rapidly. They may specify that your answer has to be in a particular format, for example a letter. You will limit the marks you can score if you do not use that format.

Read the question scenarios carefully

Reading the question scenarios carefully will help you decide what issues to discuss, what techniques to use and how your answer should be structured.

Plan your answers

Five minutes of planning plus twenty-five minutes of writing is certain to earn you more marks than thirty minutes of writing. When you are planning, you should ensure your answer is structured in accordance with the requirements of the question. You should also consider whether you should group connected points under a single header and how long each part of the answer should take to write. You should confirm before you start writing that your plan:

- Makes sense
- Covers all relevant points
- Does not include irrelevant material or repetitions

Your answer will need to be a full response to the requirements of the question. The markers cannot award marks for what they think you know but have not written down.

Demonstrate judgment

Examiners are not just looking for a display of knowledge; they want to see how well you can apply the knowledge you have. Evidence of application and judgement includes writing answers that:

- Only contain relevant material
- Support the statements you make with adequate reasons and arguments
- Use the material in scenarios to support your answer
- Discuss the limitations and assumptions of the techniques you use
- Make reasonable recommendations that follow from your discussion.

Avoid poor exam technique

There are various signs of a lack of judgement and poor exam technique. The most serious one is setting out all you know about a subject and paying no attention to the question requirements. Answers that give a vague broad outline or which contain contradictions also won't score well. There is also no need to write out the question requirements – this wastes valuable time. You will also decrease your chances by writing an answer with insufficient depth, for example providing a single line bullet point list when the examiner asks you for a discussion.

Present your work clearly

Markers will only be able to give you credit if they can read your writing, so you must write legibly. You can help the marker by writing on alternate lines and leaving adequate space between words, sentences and paragraphs. There are also plenty of other things that will make it more difficult for markers to reward you. Examples include:

- Not showing clearly which question you're attempting
- Scattering question parts from the same question throughout your answer booklet
- Not showing clearly workings or the results of your calculations
- Writing paragraphs that are too long or which lack headers
- Writing sentences that are too long - you should normally restrict yourself to one idea per sentence.

Stay until the end of the exam

You should use any spare time to check and recheck your script. This includes checking you have:

- Filled out the candidate details correctly
- Labelled question parts and workings clearly
- Used headers and underlining effectively
- Ensured that spelling, grammar and arithmetic are correct

