

Qualification Programme



Hong Kong's
CPA Qualification
香港會計師專業資格

Module and final examination syllabuses



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

MODULE AND FINAL EXAMINATION SYLLABUSES

MODULE SYLLABUSES

Qualification Programme examinations comprise four modules and a final examination. The coverage of each module is defined in competency-based terms. Each unit of competency within a field of competency is listed, together with an indication of the main related areas of skills and knowledge. Each of these is assigned a numerical indicator on the following three-point scale as a guide to the applicable level of competency:

1. A general professional awareness of the field and related concepts, but without a detailed operational knowledge at the applied level
2. A good understanding of the field with the ability to perform professional tasks competently without assistance in straightforward situations or applications
3. A comprehensive mastery of the concepts and techniques sufficient to deal competently and unaided with complex and unusual situations and applications

GENERIC SKILLS

Graduates of the four modules are expected to have a higher level of competency in terms of their generic skills than that expected of accounting graduates as specified in “Summary of skills, knowledge and competencies appropriate for accounting graduates and graduates of the foundation and conversion programmes”, which can be assessed via the Institute’s homepage at <http://www.hkicpa.org.hk/students/pq/index.php>.

MODULE A SYLLABUS – FINANCIAL REPORTING

Fields included:

- *Professional Accounting Standards*
- *Legal Environment of Business*
- *Financial Accounting and External Reporting*

Candidates are expected to demonstrate competence both within individual fields and across fields in combination.

Professional Accounting Standards

Unit 1 Recognise and where appropriate apply accounting standards and pronouncements appropriately to all work assignments

- The role and setting of accounting standards 2
- Hong Kong Financial Reporting Standard 3
- Statements of Standard Accounting Practice 3
- Hong Kong Accounting Standards 3
- Accounting Guidelines 3

- Other professional pronouncements and exposure drafts 2
- Regulatory bodies and their impact on accounting 2
- Conceptual frameworks 2

Legal Environment of Business

- Unit 1 Understanding the Hong Kong legal framework and implications for business activities
- Types and relative advantage of alternative forms of organisation 3
 - Legal procedures for establishment and governance of companies 3
- Unit 2 Understanding the obligations of directors and officers of companies
- Powers, duties and obligations of directors 3
 - Powers, duties and obligations of company secretaries 3
- Unit 3 Understanding the legal requirements associated with company structure, share offerings, debt obligations and restructuring
- Share issues and prospectus requirements 3
 - Debt instruments and registration of charges 2
 - Statutory reporting and documentation requirements 3
 - Appointment and removal of auditors 3
 - Restructuring, including appointment of receivers and liquidators 1

Financial Accounting and External Reporting

- Unit 1 Determine the external reporting policies of an organisation
- Sources of reporting and disclosure requirements, including corporate law 3
 - Information needs of different classes of users and stakeholders 2
 - Accounting and external reporting policy formulation 2
 - Detailed reporting requirements of listed and non-listed companies 3
 - Comparative external reporting environments (Hong Kong, China, U.S.A., U.K. etc) 1
 - External reporting for special/regulated industries 1
 - Measures of performance - financial and non-financial 3
 - Documentation of requirements 2
- Unit 2 Design and evaluate information systems which meet an organisation's external reporting requirements
- System specification (manual and computerised environments) 2
 - System requirements, design and documentation 2
 - System inputs - measurement, reliability and completeness 2
 - Cost-benefit evaluation 2
 - System testing and implementation 2
 - Security and reliability of systems, internal control 3
 - Systems review and revision 2

Unit 3	Prepare and disseminate reports which meet an organisation's reporting policies	
	• Liaison with internal management	1
	• Identification of external reporting issues	2
	• Operation of information systems and scheduling of outputs	2
	• Report formats and preparation, including consolidation and group accounts	3
	• Applicability of standards, external pronouncements, legislation and regulations	3
	• Logistics, timetabling and quality control of report dissemination	1
Unit 4	Represent an organisation in relation to external reporting	
	• Communication of issues	1
	• Negotiation of issues	1
	• Analysis, structuring and evaluation of information	1
	• Testing of proposals for standards or regulations	1
Unit 5	Manage external reporting as a functional area within organisations	
	• Human resource management	1
	• Planning and resource management	1
	• Identification of critical tasks	2
	• Performance criteria	2
	• Review of data inputs from functional areas	2
	• Review of process of conversion of data into external reports	2
	• Review of external reports in relation to user needs and regulatory requirements	2
	• Change processes including Total Quality Management	1
Unit 6	Manage the complex and changing contexts which bear on the conduct and outcomes of external reporting work	
	• Contexts bearing on external reporting work	1
	• Strategic assessment of contextual change	1

MODULE B SYLLABUS – FINANCIAL MANAGEMENT

Fields included:

- *Management Accounting*
- *Financial Management*

Candidates are expected to demonstrate competence both within individual fields and across fields in combination.

Management Accounting

Unit 1	Participate in resource related direction setting in an organisation	
	• Strategy formation processes, including data gathering structures and SWOT analysis	2

	• Segment performance and effectiveness	2
	• Cash flow and financing implications of strategies	3
	• Project appraisal techniques and processes	3
	• Post-appraisal audit of projects	2
	• Business plans and analysis and evaluation of options	1
	• Development and implementation of systems of financial modelling	2
	• Structuring of operational and capital budgets and their documentation	3
Unit 2	Participate in organisation change and design processes	
	• Organisational change objectives, methodologies and processes	1
	• Implementation planning of organisational strategies	1
	• Goal setting and benchmarking	1
	• Organisational design and development processes and methodologies	2
	• Assessment of implications for work practices and information needs	1
Unit 3	Contribute to the design, implementation and review of performance measurement and control systems in organisations	
	• Performance indicators and measures for organisational units	2
	• Relationships between operational, financial and strategic measures of performance	2
	• Performance measurement systems	3
	• Assessment of the control elements of organisational systems	3
	• Design and implementation of data capture and information processing systems	3
	• Cost measurement and analysis in service and manufacturing environments	3
	• Development of non-financial control systems	2
	• Financial control systems	3
	• Internal reporting systems - design and operation	3
	• Control limits and authorities	1
	• Behavioural and ethical aspects of control systems	2
Unit 4	Manage management accounting work in organisations	
	• Definition of objectives and capabilities of management accounting in particular organisational settings	2
	• Use of benchmarking and reference to world best practice	1
	• Assessment of alternative structures	1
	• Implementation and development of the management accounting function	2
	• Organisation and resource management of the management accounting function	1
	• Management of intra- and inter-organisational relationships	1

Unit 5	Manage the diverse, dynamic and competitive contexts which bear on the conduct and outcomes of management accounting work	
	• Monitoring of contextual change bearing on management accounting work, including developments in manufacturing and information technologies	2
	• Assessment and implementation of appropriate responses to contextual imperatives or change	2
	• Assessment, negotiation and implementation of appropriate contextual conditions	1

Financial Management

Unit 1	Advise on the financial implications of an organisation's situation	
	• Analysis and reporting of the financial implications of actual or proposed business strategies and organisational decisions	2
	• Analysis and reporting of the financial implications of and reasons for changes and contingencies in the external business, regulatory, legal, technological, economic and political environment	2
	• Strategic management technologies and processes	1
Unit 2	Establish an organisation's financial strategies	
	• Analysis of business strategy and plans in financial terms	3
	• Analysis of present and projected financial position, asset, liability and capital structures and gearing	2
	• Assessment of cash flow and profitability patterns	3
	• Assessment of business risk and establishment of an organisational risk strategy	2
	• Modelling of alternative financial strategies and dividend policies	2
	• Financial analysis of organisations and applicable analytic technologies	3
Unit 3	Manage financial risk in organisations	
	• Identification and measurement of current and potential financial exposures, including interest rate, liquidity, foreign exchange and commodity risks	2
	• Kinds of risk inherent in the Treasury function	2
	• Insurable risks	1
	• Instruments for controlling risk	2
	• Policies and procedures for managing exposures	1
	• Reporting systems for exposures	1

Unit 4	Manage an organisation's financing operations	
	<ul style="list-style-type: none"> • Management of capital structures and asset and liability portfolios of organisations 2 • Design and implementation of funds management systems 2 • Management of unexpected funds surpluses and shortages 2 • Identification of potential types and sources of finance 2 • Taxation and financial implications of available types of finance 2 • Statutory and other constraints on use of funding methods 3 • Implementation and review of funding decisions 2 • Policies for investment of funds surplus to operational or business requirements 1 • Monitoring of cash flows, including current asset and liability management and cash flow budgets and comparisons 3 • Establishment of cash flow reporting systems 2 	
Unit 5	Manage Financial Management and Treasury as an organisational function	
	<ul style="list-style-type: none"> • Objectives of and alternative structures for financial management and treasury operations 1 • Establishment and operation of information systems 2 • Establishment of performance indicators and monitoring systems 2 • Development of systems for the collection and custody of money and securities, including management of settlements, processing payments and receipts and dealing in the market 2 • Establishment of authorisation limits and procedures and segregation of duties 3 • Development and operation of internal control and risk monitoring systems and procedures, including documentation 3 • Management of relationships within and external to the organisation 2 	
Unit 6	Manage the changing, global contexts which bear on the conduct and outcomes of Financial Management and Treasury work	
	<ul style="list-style-type: none"> • Types of risk and their relationships associated with various financial products in changing global contexts 2 • Monitoring of and reporting of contextual changes impacting the financial management and treasury function and adaptation to provide appropriate response to changes and imperatives 1 • Negotiation of contextual change and adaptation 1 • Organisational financial risk profiles appropriate to survival and sustained growth 1 	
Unit 7	Assess the commercial viability of, and establish the strategic possibilities, for an organisation which is underperforming, partially insolvent or insolvent, and manage the reconstruction of underperforming, potentially insolvent or insolvent organisations as continuing entities	2

MODULE C SYLLABUS – AUDITING AND INFORMATION MANAGEMENT

Fields included:

- *Professional Ethics*
- *Professional Auditing Standards*
- *Auditing*
- *Information Management and Technology*

Candidates are expected to demonstrate competence both within individual fields and across fields in combination.

Professional Ethics

Unit 1 Recognise and where appropriate apply ethical principles, considerations and rulings to work assignments and professional role

- The profession and professionalism, including the institutional and legal framework governing professional conduct 3
- The Institute's Code of Professional Ethics, including fundamental principles and promulgated Professional Ethics Statements 3
- Independence and understanding of responsibilities to different stakeholders 2
- Conflict of interest situations, ethical dilemmas and application of ethical reasoning 2
- Corrupt or illegal conduct 1

Auditing and Auditing Standards

Unit 1 Design and implement methodologies for examining, verifying, evaluating and reporting on financial or non-financial representations of organisations

- Scope and purpose of the audit function in society and business 3
- Audit objectives and terms of reference 3
- Legal and professional rights, duties and obligations and status 3
- Client activities and risk profiles, including industry risk 2
- Applicability of professional standards and regulatory requirements 3
- Planning and documenting the audit process 2
- Criteria to govern audit opinion 3
- Compliance testing 3
- Liaison with relevant parties, including regulatory authorities where applicable 1
- Resource requirements, including staffing 1
- Project management systems 2
- Mechanics of auditing in organisational settings, including computer-based systems 3
- Use of information technology in relation to auditing 2
- Quality assurance and review 2
- Report preparation and communication 2

Unit 2	Design and implement methodologies for examining, verifying, evaluating and reporting on the level of compliance of activities, systems or processes within organisations with internally or externally generated policies, standards, legislation or other requirements	
	<ul style="list-style-type: none"> • Objectives, scope and reporting format 3 • Compliance requirements 2 • Organisational analysis, including risk profiles and organisational responsibilities and systems 2 • Determination and documentation of the audit plan and reporting process 2 • Audit working papers 2 • Criteria to govern audit opinion 2 • Identification of and liaison with relevant parties 1 • Implementation of methodologies, including project management and quality assurance procedures 2 • Mechanics of auditing in organisational settings, including computer-based systems 3 • Use of information technology in relation to auditing 2 • Report preparation and communication 2 • Internal audit 2 	
Unit 3	Design and implement methodologies for evaluating and reporting on managerial, operational or procedural processes in organisations	
	<ul style="list-style-type: none"> • Organisational and managerial processes and systems 2 • Design methodologies 2 • Performance indicators 2 • Performance audits 2 • Audit approaches and techniques 2 • Benchmarks and testing 2 • Internal audit design, operation and evaluation 2 • Implementation of methodologies 2 	
Unit 4	Recognise and where appropriate apply auditing standards and pronouncements appropriately to all work assignments	
	<ul style="list-style-type: none"> • Statements of Auditing Standards 3 • Auditing Guidelines and Industry Guidelines 3 	
Unit 5	Participate in the development or evaluation of professional standards or benchmarks for auditing processes and outcomes	
	<ul style="list-style-type: none"> • Social, political and research processes in the development of regulations and standards 1 • Benchmarking 1 	

Unit 6	Manage auditing work	
	• Resource planning, allocation and control	2
	• Performance control for resource use	1
	• Process control and project management	1
	• Human resource management and professionalism	1
	• Quality control	2
	• Total Quality Management	1
	• Client-auditor interfaces	1
Unit 7	Manage the diverse and evolving contexts of accountability which bear on the conduct and outcomes of auditing work	
	• Range of auditing contexts	1
	• Assessment of desirable change or innovation	1

Information Management and Technology

Unit 1	Understand information as a key resource and determine the information needs of the organisation	
	• The significance of information: distinction between information and data	1
	• Characteristics of decisions at different organisational levels and information needs	2
	• Applications	1
	- operating, managerial and strategic levels in the organisation	
	- interorganisational information systems, electronic data interchange	
	- wide area networks, Internet, World-wide Web opportunities	
Unit 2	Assess information system and communications requirements of the organisation and formulate information system strategies	
	• Strategic significance of information systems: competitive advantage or strategic necessity	1
	• Development of information system strategy as part of business strategy	2
	• Alignment of information technology, data management, organisation structure and style	1
Unit 3	Develop information system requirements for the organisation	
	• Assessment of information needs and system requirements of the organisation	2
	• Establishment of design parameters and carrying out feasibility studies	1
	• Systems evaluation and assessment of cost effectiveness	2

Unit 4	Design appropriate information systems for organisational needs, including security considerations	
	• Systems analysis and design considerations	2
	• Design tools and methodologies	1
	• Catastrophe planning	2
Unit 5	Implement information systems and communications within technological and cost constraints	
	• Project management	1
	• Implementation	3
	- organisational development and staff training	
	- management control and security considerations	
	• Control of information - charge-out, outsourcing, down-sizing	1
Unit 6	Manage, control and review operation and output of information systems and functioning of communications systems	
	• Definition of responsibilities in information management - user and CEO function	2
	• Data management - data base design, ownership and management	2
	• Review of data management and output of information systems	2
Unit 7	Monitor technological developments and frontiers in information technology and communications and assess relevance to emerging needs of the organisation	
	• Monitoring of developments in information technology	1
	• Individual aspects of information - privacy, data protection ordinance	1
	• Societal aspects - information and power, rights of access to data, cross-border data flows	1

MODULE D SYLLABUS - TAXATION

Fields included:

- *Taxation*
- *Tax planning*

Candidates are expected to demonstrate competence both within individual fields and across fields in combination.

Taxation and Tax Planning

Unit 1	Compute tax liabilities for individuals, unincorporated businesses, partnerships and companies	
	• Determination of the taxation situation of an individual	3
	• Planning the incidence of estate duty	3

	• Determination of the taxation situation of an unincorporated business	3
	• Determination of the taxation situation of a partnership	3
	• Determination of the taxation situation of a company	3
Unit 2	Advise on the Hong Kong tax system, including tax planning, in relation to individuals and other entities	
	• Analysis of the present and future application of the Hong Kong tax system to the situation of individuals and other entities	3
Unit 3	Develop an awareness of the impact of major taxes on transactions and organisation	
	• Impact of all major taxes on various forms of activity and transaction	2
	• Impact of major taxes on various forms of organisation	2
Unit 4	Advise on the taxation effect of external communication; promote taxation awareness within own and/or client organisations; and develop systems for recording taxation liabilities and their payment	
	• Taxation aspects of external communication	2
	• Taxation awareness within organisations	2
	• Development of systems for recording tax liabilities and their payment	2
Unit 5	Establish objectives for the taxation function within an organisation, manage taxation work and projects, including staffing of the function	
	• Objectives of the taxation function within an organisation	2
	• Management of taxation work and projects	2
	• Staffing of the taxation function in an organisation	2

FINAL EXAMINATION SYLLABUS

The final examination will test the ability of candidates to deal competently with professional-type situations, involving the drawing together and application of knowledge and skills from any part of the MODULE SYLLABUSES, across all fields of competency, thereby demonstrating a level of competency appropriate to a competent practitioner.

HKICPA
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