04 The full syllabus – management level

This section sets out the specific syllabus for each of the three papers at the management level of the qualification. However, it is implicit in each case, that material included in the syllabus for any of the papers at the operational level may also be relevant for the purposes of assessment.

PAPER E2
ENTERPRISE MANAGEMENT

Syllabus overview

Paper E2 moves away from the emphasis on functional knowledge within Paper E1 Enterprise Operations, towards an holistic, integrated view of management across the organisation. Building on important concepts in strategic management, this paper develops tools and techniques for identifying the key types of competitive environment. The skills and tools of project management are also addressed. Finally, the paper introduces the skills and tools needed to work with, manage and develop teams. This includes both the legal aspects of managing individuals, as well as the softer elements of negotiation and leadership skills.

E2 – A. STRATEGIC MANAGEMENT AND ASSESSING THE COMPETITIVE ENVIRONMENT (30%)

Learning outcomes
On completion of their studies students should be able to:

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| 1.   | (a) discuss the nature of competitive environments;  
|      | (b) distinguish between different types of competitive environments. |
| 2.   | (a) discuss concepts in established and emergent thinking in strategic management;  
|      | (b) compare and contrast approaches to strategy formulation;  
|      | (c) explain the relationships between different levels of strategy in organisations. |
**Assessment strategy**

There will be a written examination paper of three hours, plus 20 minutes of pre-examination question paper reading time. The examination paper will have the following sections:

**Section A – 50 marks**
Five compulsory medium answer questions, each worth ten marks. Short scenarios may be given, to which some or all questions relate.

**Section B – 50 marks**
One or two compulsory questions. Short scenarios may be given, to which questions relate.

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**Indicative syllabus content**

- PEST analysis and its derivatives.
- The use of stakeholder mapping.
- Qualitative approaches to competitive analysis.
- Competitor analysis and competitive strategies (both qualitative and quantitative tools of competitor analysis will be used).
- Sources, availability and quality of data for environmental analysis.
- Porter’s Five Forces model and its use for assessing the external environment.
- Porter’s Diamond and its use for assessing the competitive advantage of nations.

- Perspectives on the strategic management of the firm (including transaction cost, resource-based view and ecological perspective).
- Approaches to strategy (e.g. rational, adaptive, emergent, evolutionary or system based views).
- Levels of strategy (e.g. Corporate, business-level, functional) (Note: candidates are not expected to identify or evaluate options).
### E2 – B. PROJECT MANAGEMENT (40%)

#### Learning outcomes

On completion of their studies students should be able to:

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| 1. discuss tools and techniques of project management. | (a) identify a project, a programme and their attributes;  
(b) apply suitable structures and frameworks to projects to identify common project management issues;  
(c) construct an outline of the process of project management;  
(d) identify the characteristics of each phase in the project process;  
(e) apply key tools and techniques, including the evaluation of proposals;  
(f) produce a basic project plan incorporating strategies for dealing with uncertainty, in the context of a simple project;  
(g) identify structural and leadership issues that will be faced in managing a project team;  
(h) compare and contrast project control systems;  
(i) discuss the value of post-completion audit;  
(j) apply a process of continuous improvement to projects. |

| 2. evaluate the relationship of the project manager to the external environment. | (a) produce a strategy for a project;  
(b) recommend strategies for the management of stakeholder perceptions and expectations;  
(c) explain the roles of key players in a project organisation. |
## Indicative syllabus content

- The definition of a programme, a project, project management, and the contrast with repetitive operations and line management.
- 4-D and 7-S models to provide an overview of the project process, and the nine key process areas (PMI) to show what happens during each part of the process.
- The benefits and limitations of having a single process for managing projects.
- Key tools for project managers (e.g., Work Breakdown Structure, network diagrams (Critical Path Analysis), Gantt charts, resource histograms, gates and milestones).
- Earned Value Management.
- Evaluation of plans for projects.
- The key processes of PRINCE2 and their implications for project staff.
- Managing scope at the outset of a project and providing systems for configuration management/change control.
- The production of basic plans for time, cost and quality.
- Scenario planning and buffering to make provision for uncertainty in projects, as part of the risk and opportunities management process.
- Organisational structures, including the role of the project and matrix organisations, and their impact on project achievement.
- Teamwork, including recognising the life-cycle of teams, team/group behaviour and selection.
- Control of time, cost and quality through performance and conformance management systems.
- Project completion, documentation, completion reports and system close-down.
- The use of post-completion audit and review activities and the justification of their costs.

- Determining and managing trade-offs between key project objectives of time, cost and quality.
- Stakeholders (both process and outcome), their power and interest, and their needs and expectations, marketing and communications to enhance perceptions.
- Roles of support structures, including project management offices, as well as project sponsors (SROs), boards, champions, managers and clients.
## E2 – C. MANAGEMENT OF RELATIONSHIPS (30%)

### Learning outcomes
On completion of their studies students should be able to:

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| 1. discuss concepts associated with the effective operation of an organisation. | (a) discuss the concepts of power, bureaucracy, authority, responsibility, leadership and delegation;  
(b) demonstrate the importance of organisational culture;  
(c) identify the nature and causes of conflict;  
(d) discuss alternative approaches to the management of conflict. |

| 2. discuss the activities associated with managing people and their associated techniques. | (a) analyse the relationship between managers and their subordinates, including legal aspects affecting work and employment;  
(b) discuss the roles of negotiation and communication in the management process, both within an organisation and with external bodies;  
(c) discuss the effectiveness of relationships between the finance function and other parts of the organisation and with external stakeholders;  
(d) identify tools for managing and controlling individuals, teams and networks, and for managing group conflict;  
(e) compare and contrast ways to deal effectively with discipline problems;  
(f) explain the process and importance of mentoring junior colleagues;  
(g) analyse issues of business ethics and corporate governance. |
### Indicative syllabus content

- The concepts of power, authority, bureaucracy, leadership, responsibility and delegation and their application to relationships within an organisation and outside it.
- Organisational culture: definition, classification, importance.
- The sources of conflict in organisations and the ways in which conflict can be managed to ensure that working relationships are productive and effective.

- Disciplinary procedures and their operation, including the form and process of formal disciplinary action and dismissal (e.g. industrial tribunals, arbitration and conciliation).
- The nature and effect of legal issues affecting work and employment, including the application of relevant employment law (i.e. relating to health, safety, discrimination, fair treatment, childcare, contracts of employment and working time).
- Communication skills (i.e. types of communication tools and their use, as well as the utility and conduct of meetings) and ways of managing communication problems.
- Negotiation skills.
- Managing the finance function to maximise its value to the organisation through lean operation (e.g. business process outsourcing, shared service centres) and contribution to other functions (e.g. embedding finance personnel in business and strategic decision processes).
- Management of relationships with professional advisors (accounting, tax and legal), auditors and financial stakeholders (investors and financiers) to meet organisational objectives.
- The principles of corporate governance and the CIMA Code of Ethics for Professional Accountants, and their relevance to the role, obligations and expectations of a manager.
- How to lead and manage a team.
- The role of a mentor, and the process of mentoring.
- Motivating team members.
- The use of systems of control within the organisation (e.g. employment contracts, performance appraisal, reporting structures).
04 The full syllabus – management level continued

PAPER P2
PERFORMANCE MANAGEMENT

Syllabus overview
While Paper P2 continues the analytic theme of Paper P1 Performance Operations (for example in terms of identifying relevant costs), its main focus is on the application of information in the management processes of decision-making and control, so as to optimise performance. The first two sections deal respectively with the key contributors to operational performance – revenue (decisions of what to produce, at what price) and costs (how to manage them to maximise profitability). The role of control in monitoring and improving performance then comes to the fore in the final two sections, dealing with principles and practices in the use of responsibility centres and budgeting.

Syllabus structure
The syllabus comprises the following topics and study weightings:

- **A** Pricing and Product Decisions 30%
- **B** Cost Planning and Analysis for Competitive Advantage 30%
- **C** Budgeting and Management Control 20%
- **D** Control and Performance Measurement of Responsibility Centres 20%

P2 – A. PRICING AND PRODUCT DECISIONS (30%)

Learning outcomes
On completion of their studies students should be able to:

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<tr>
<td>1. discuss concepts of cost and revenue relevant to pricing and product decisions.</td>
<td>(a) discuss the principles of decision-making including the identification of relevant cash flows and their use alongside non-quantifiable factors in making rounded judgements; (b) discuss the possible conflicts between cost accounting for profit reporting and stock valuation and information required for decision-making; (c) discuss the particular issues that arise in pricing decisions and the conflict between ‘marginal cost’ principles and the need for full recovery of all costs incurred.</td>
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**Assessment strategy**

There will be a written examination paper of three hours, plus 20 minutes of pre-examination question paper reading time. The examination paper will have the following sections:

- **Section A – 50 marks**
  Five compulsory medium answer questions, each worth ten marks. Short scenarios may be given, to which some or all questions relate.

- **Section B – 50 marks**
  One or two compulsory questions. Short scenarios may be given, to which questions relate.

**Indicative syllabus content**

- Relevant cash flows and their use in short-term decisions, typically concerning acceptance/rejection of contracts, pricing and cost/benefit comparisons.
- The importance of strategic, intangible and non-financial judgements in decision-making.
- Relevant costs and revenues in decision-making and their relation to accounting concepts.
- Marginal and full cost recovery as bases for pricing decisions in the short and long-term.
### P2 – A. PRICING AND PRODUCT DECISIONS (30%) continued

#### Learning outcomes

On completion of their studies students should be able to:

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| 2. analyse short-term pricing and product decisions. | (a) explain the usefulness of dividing costs into variable and fixed components in the context of short-term decision making;  
(b) interpret variable/fixed cost analysis in multiple product contexts to break-even analysis and product mix decision making, including circumstances where there are multiple constraints and linear programming methods are needed to identify ‘optimal’ solutions;  
(c) discuss the meaning of ‘optimal’ solutions and how linear programming methods can be employed for profit maximising, revenue maximising and satisfying objectives;  
(d) analyse the impact of uncertainty and risk on decision models based on CVP analysis. |
| 3. discuss pricing strategies and their consequences. | (a) apply an approach to pricing based on profit maximisation in imperfect markets;  
(b) discuss the financial consequences of alternative pricing strategies;  
(c) explain why joint costs must be allocated to final products for financial reporting purposes, but why this is unhelpful when decisions concerning process and product viability have to be taken. |

### P2 – B. COST PLANNING AND ANALYSIS FOR COMPETITIVE ADVANTAGE (30%)

#### Learning outcomes

On completion of their studies students should be able to:

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| 1. evaluate techniques for analysing and managing costs for competitive advantage | (a) compare and contrast value analysis and functional cost analysis;  
(b) evaluate the impacts of just-in-time production, the theory of constraints and total quality management on efficiency, inventory and cost;  
(c) explain the concepts of continuous improvement and Kaizen costing that are central to total quality management;  
(d) prepare cost of quality reports;  
(e) apply learning curves to estimate time and cost for new products and services;  
(f) apply the techniques of activity-based management in identifying cost drivers/activities;  
(g) explain how process re-engineering can be used to eliminate non-value adding activities and reduce activity costs;  
(h) explain how target costs can be derived from target prices and the relationship between target costs and standard costs;  
(i) discuss the concept of life cycle costing and how life cycle costs interact with marketing strategies at each stage of the life cycle;  
(j) discuss the concept of the value chain and the management of contribution/profit generated throughout the chain;  
(k) discuss gain sharing arrangements whereby contractors and customers benefit if contract targets for cost, delivery etc. are beaten;  
(l) analyse direct customer profitability and extend this analysis to distribution channel profitability through the application of activity-based costing ideas;  
(m) apply Pareto analysis as a convenient technique for identifying key elements of data and in presenting the results of other analyses, such as activity-based profitability calculations. |
Indicative syllabus content

- Simple product mix analysis in situations where there are limitations on product/service demand and one other production constraint.
- Multi-product break-even analysis, including break-even and profit/volume charts, contribution/sales ratio, margin of safety etc.
- Linear programming for more complex situations involving multiple constraints. Solution by graphical methods of two variable problems, together with understanding of the mechanics of simplex solution, shadow prices etc. (Note: questions requiring the full application of the simplex algorithm will not be set although candidates should be able to formulate an initial tableau, interpret a final simplex tableau and apply the information it contained in a final tableau).
- Sensitivity analysis of CVP-based decision models.

- Pricing decisions for profit maximising in imperfect markets. (Note: tabular methods of solution are acceptable).
- Pricing strategies and the financial consequences of market skimming, premium pricing, penetration pricing, loss leaders, product bundling/optional extras and product differentiation to appeal to different market segments.
- The allocation of joint costs and decisions concerning process and product viability based on relevant costs and revenues.

Indicative syllabus content

- Value analysis and quality function deployment.
- The benefits of just-in-time production, total quality management and theory of constraints and the implications of these methods for decision-making in the 'new manufacturing environment'.
- Kaizen costing, continuous improvement and cost of quality reporting.
- Learning curves and their use in predicting product/service costs, including derivation of the learning rate and the learning index.
- Activity-based management in the analysis of overhead and its use in improving the efficiency of repetitive overhead activities.
- Target costing.
- Life cycle costing and implications for marketing strategies.
- The value chain and supply chain management, including the trend to outsource manufacturing operations to transition and developing economies.
- Gain sharing arrangements in situations where, because of the size of the project, a limited number of contractors or security issues (e.g. in defence work), normal competitive pressures do not apply.
- The use of direct and activity-based cost methods in tracing costs to 'cost objects', such as customers or distribution channels, and the comparison of such costs with appropriate revenues to establish 'tiered' contribution levels, as in the activity-based cost hierarchy.
- Pareto analysis.
### P2 – C. BUDGETING AND MANAGEMENT CONTROL (20%)

**Learning outcomes**  
On completion of their studies students should be able to:

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| 1. explain the principles that underlie the use of budgets in control. | (a) explain the concepts of feedback and feed-forward control and their application in the use of budgets for planning and control;  
(b) explain the concept of responsibility accounting and its importance in the construction of functional budgets that support the overall master budget;  
(c) identify controllable and uncontrollable costs in the context of responsibility accounting and why uncontrollable costs may or may not be allocated to responsibility centres. |
| 2. evaluate performance using budgets, recognising alternative approaches and sensitivity to variable factors. | (a) evaluate projected performance using ratio analysis;  
(b) evaluate the consequences of “what if” scenarios and their impact on the master budget;  
(c) evaluate performance using fixed and flexible budget reports. |
| 3. discuss the broader managerial issues arising from the use of budgets in control. | (a) discuss the impact of budgetary control systems and setting of standard costs on human behaviour;  
(b) discuss the role of non-financial performance indicators;  
(c) compare and contrast traditional approaches to budgeting with recommendations based on the ‘balanced scorecard’;  
(d) discuss the criticisms of budgeting, particularly from the advocates of ‘beyond budgeting’ techniques. |

### P2 – D. CONTROL AND PERFORMANCE MEASUREMENT OF RESPONSIBILITY CENTRES (20%)

**Learning outcomes**  
On completion of their studies students should be able to:

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<tbody>
<tr>
<td>1. discuss the use of responsibility centres in devising organisation structure and in management control.</td>
<td>(a) discuss the use of cost, revenue, profit and investment centres in devising organisation structure and in management control.</td>
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</tbody>
</table>
| 2. discuss information suitable for management decision-making in responsibility centres. | (a) discuss cost information in appropriate formats for cost centre managers, taking due account of controllable/uncontrollable costs and the importance of budget flexing;  
(b) discuss revenue and cost information in appropriate formats for profit and investment centre managers, taking due account of cost variability, attributable costs, controllable costs and identification of appropriate measures of profit centre 'contribution';  
(c) discuss alternative measures of performance for responsibility centres. |
| 3. discuss the broader managerial issues arising from the division of the organisation into responsibility centres. | (a) discuss the likely behavioural consequences of the use of performance metrics in managing cost, profit and investment centres;  
(b) discuss the typical consequences of a divisional structure for performance measurement as divisions compete or trade with each other;  
(c) discuss the likely consequences of different approaches to transfer pricing for divisional decision making, divisional and group profitability, the motivation of divisional management and the autonomy of individual divisions;  
(d) discuss in principle the potential tax and currency management consequences of internal transfer pricing policy. |
Indicative syllabus content

- Control system concepts.
- The use of budgets in planning: ‘rolling budgets’ for adaptive planning.
- Responsibility accounting and the use of budgets for control: controllable costs and; treatment of uncontrollable costs; the conceptual link between standard costing and budget flexing.

- Assessing the financial consequences of projected performance through key metrics including profitability, liquidity and asset turnover ratios.
- What-if analysis based on alternate projections of volumes, prices and cost structures and the use of spreadsheets in facilitating these analyses.
- The evaluation of out-turn performance using variances based on ‘fixed’ and ‘flexed’ budgets.

- Behavioural issues in budgeting: participation in budgeting and its possible beneficial consequences for ownership and motivation; participation in budgeting and its possible adverse consequences for ‘budget padding’ and manipulation; setting budget targets for motivation; implications of setting standard costs etc.
- Criticisms of budgeting and the recommendations of the advocates of the balanced scorecard and ‘beyond budgeting’.

- Organisation structure and its implications for responsibility accounting.

- Presentation of financial information representing performance and recognising issues of controllable/uncontrollable costs, variable/fixed costs and tracing revenues and costs to particular cost objects.
- Return on investment and its deficiencies; the emergence of residual income and economic value added to address these.

- The behavioural consequences of performance management and control.
- The theory of transfer pricing, including perfect, imperfect and no market for the intermediate good.
- Use of negotiated, market, cost-plus and variable cost based transfer prices. ‘Dual’ transfer prices and lump sum payments as means of addressing some of the issues that arise.
- The interaction of transfer pricing and tax liabilities in international operations and implications for currency management and possible distortion of internal company operations in order to comply with Tax Authority directives.
04 The full syllabus – management level continued

PAPER F2
FINANCIAL MANAGEMENT

Syllabus overview
Paper F2 extends the scope of Paper F1 Financial Operations to more advanced topics in financial accounting (preparation of full consolidated financial statements and issues of principle in accounting standards dealing with more complex areas) and to developments in external reporting. With the advanced level of financial accounting and reporting achieved in this paper, the analysis and interpretation of accounts becomes more meaningful and this constitutes a substantial element.

F2 – A. GROUP FINANCIAL STATEMENTS (35%)

Learning outcomes
On completion of their studies students should be able to:

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<tr>
<td>1. prepare the full consolidated statements of a single company and the consolidated statements of financial position and comprehensive income for a group (in relatively complex circumstances).</td>
<td>(a) prepare a complete set of consolidated financial statements in a form suitable for publication for a group of companies; (b) demonstrate the impact on group financial statements where: there is a minority interest; the interest in a subsidiary or associate is acquired or disposed of part way through an accounting period (to include the effective date of acquisition and dividends out of pre-acquisition profits); shareholdings, or control, are acquired in stages; intra-group trading and other transactions occur; the value of goodwill is impaired; (c) apply the concept of a joint venture and how various types are accounted for.</td>
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<tr>
<td>2. explain the principles of accounting for capital schemes and foreign exchange rate changes.</td>
<td>(a) explain the principles of accounting for a capital reconstruction scheme or a demerger; (b) explain foreign currency translation principles, including the difference between the closing rate/net investment method and the historical rate method; (c) explain the correct treatment for foreign loans financing foreign equity investments.</td>
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</table>
Assessment strategy

There will be a written examination paper of three hours, plus 20 minutes of pre-examination question paper reading time. The examination paper will have the following sections:

Section A – 50 marks
Five compulsory medium answer questions, each worth ten marks. Short scenarios may be given, to which some or all questions relate.

Section B – 50 marks
One or two compulsory questions. Short scenarios may be given, to which questions relate.

Indicative syllabus content

- Relationships between investors and investees, meaning of control and circumstances in which a subsidiary is excluded from consolidation.
- The preparation of consolidated financial statements (including the group cash flow statement and statement of changes in equity) involving one or more subsidiaries, sub-subsidiaries and associates (IAS 1 (revised), IAS 27 (2011), IFRS 3, IFRS 10, IFRS 11 and IFRS 12)
- The treatment in consolidated financial statements of minority interests, pre and post-acquisition reserves, goodwill (including its impairment), fair value adjustments, intra-group transactions and dividends, piece-meal and mid-year acquisitions, and disposals to include sub-subsidiaries and mixed groups.
- The accounting treatment of associates and joint ventures (IAS 28 and 31) using the equity method and proportional consolidation method.

- Accounting for reorganisations and capital reconstruction schemes.
- Foreign currency translation (IAS 21), to include overseas transactions and investments in overseas subsidiaries.
### F2 – B. ISSUES IN RECOGNITION AND MEASUREMENT (20%)

**Learning outcomes**
On completion of their studies students should be able to:

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| 1. discuss accounting principles and their relevance to accounting issues of contemporary interest. | (a) discuss the problems of profit measurement and alternative approaches to asset valuations;  
(b) discuss measures to reduce distortion in financial statements when price levels change;  
(c) discuss the principle of substance over form applied to a range of transactions;  
(d) discuss the possible treatments of financial instruments in the issuer’s accounts (i.e. liabilities versus equity, and the implications for finance costs);  
(e) discuss circumstances in which amortised cost, fair value and hedge accounting are appropriate for financial instruments, the principles of these accounting methods and considerations in the determination of fair value;  
(f) discuss the recognition and valuation issues concerned with pension schemes (including the treatment of actuarial deficits and surpluses) and share-based payments. |

### F2 – C. ANALYSIS AND INTERPRETATION OF FINANCIAL ACCOUNTS (35%)

**Learning outcomes**
On completion of their studies students should be able to:

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| 1. produce a ratio analysis from financial statements and supporting information. | (a) interpret a full range of accounting ratios;  
(b) discuss the limitations of accounting ratio analysis and analysis based on financial statements. |
| 2. evaluate performance and position. | (a) analyse financial statements in the context of information provided in the accounts and corporate report;  
(b) evaluate performance and position based on analysis of financial statements;  
(c) discuss segmental analysis, with inter-firm and international comparisons taking account of possible aggressive or unusual accounting policies and pressures on ethical behaviour;  
(d) discuss the results of an analysis of financial statements and its limitations. |
Indicative syllabus content

- The problems of profit measurement and the effect of alternative approaches to asset valuation (IFRS 13); current cost and current purchasing power bases and the real terms system; Financial Reporting in Hyperinflationary Economies (IAS 29).
- The principle of substance over form and its influence in dealing with transactions such as sale and repurchase agreements, consignment stock, debt factoring, securitised assets, loan transfers and public and private sector financial collaboration.
- Financial instruments classified as liabilities or shareholders funds and the allocation of finance costs over the term of the borrowing (IAS 32 and 39).
- The measurement, including methods of determining fair value, and disclosure of financial instruments (IAS 32 and 39, IFRS 7).
- Retirement benefits, including pension schemes – defined benefit schemes and defined contribution schemes, actuarial deficits and surpluses (IAS 19).
- Share-based payments (IFRS 2): types of transactions, measurement bases and accounting; determination of fair value.

Indicative syllabus content

- Ratios in the areas of performance, profitability, financial adaptability, liquidity, activity, shareholder investment and financing, and their interpretation.
- Calculation of Earnings per Share under IAS 33, to include the effect of bonus issues, rights issues and convertible stock.
- The impact of financing structure, including use of leasing and short-term debt, on ratios, particularly gearing.
- Limitations of ratio analysis (e.g. comparability of businesses and accounting policies).
- Interpretation of financial statements via the analysis of the accounts and corporate reports.
- The identification of information required to assess financial performance and the extent to which financial statements fail to provide such information.
- Interpretation of financial obligations included in financial accounts (e.g. redeemable debt, earn-out arrangements, contingent liabilities).
- Segment analysis: inter-firm and international comparison (IFRS 8).
- The need to be aware of aggressive or unusual accounting policies ("creative accounting"), e.g. in the areas of cost capitalisation and revenue recognition, and threats to the ethics of accountants from pressure to report "good results".
- Reporting the results of analysis.
## F2 – D. DEVELOPMENTS IN EXTERNAL REPORTING (10%)

### Learning outcomes

On completion of their studies students should be able to:

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| 1. discuss contemporary developments in financial and non-financial reporting. | (a) discuss pressures for extending the scope and quality of external reports to include prospective and non-financial matters, and narrative reporting generally;  
(b) explain how information concerning the interaction of a business with society and the natural environment can be communicated in the published accounts;  
(c) discuss social and environmental issues which are likely to be most important to stakeholders in an organisation;  
(d) explain the process of measuring, recording and disclosing the effect of exchanges between a business and society – human resource accounting;  
(e) discuss major differences between IFRS and US GAAP, and the measures designed to contribute towards their convergence. |
Indicative syllabus content

- Increasing stakeholder demands for information that goes beyond historical financial information and frameworks for such reporting, including, as an example of national requirements and guidelines, the UK’s Business Review and the Accounting Standard Board’s best practice standard, RS1, and the Global Reporting Initiative.
- Environmental and social accounting issues, differentiating between externalities and costs internalised through, for example, capitalisation of environmental expenditure, recognition of future environmental costs by means of provisions, taxation and the costs of emissions permit trading schemes.
- Non-financial measures of social and environmental impact.
- Human resource accounting.
- Major differences between IFRS and US GAAP, and progress towards convergence.