

CIMA PROFESSIONAL QUALIFICATION

2015 SYLLABUS

This updated syllabus and assessment bridges the skills gaps of newly qualified finance professionals worldwide, meeting the employability needs of both business and people.

FOREWORD

I am pleased to introduce the CIMA Professional Qualification, 2015 Syllabus, which is designed to address the employability needs of both business and people.

The increasing complexity, uncertainty and ambiguity in the operating environments of organisations make it difficult for their leaders and employees to create and preserve sustainable value. Finance professionals with high quality technical skills, deep understanding of their organisations, and the ability to influence and lead people can provide the insight those organisations need to craft and successfully execute their strategies.

The CIMA Professional Qualification, 2015 Syllabus has been designed to enable this. The updated syllabus and assessment bridges skills gaps of newly qualified finance professionals worldwide, meeting the employability needs of both business and people. In designing the qualification we set out to enhance the *relevance* of the syllabus to employers; ensure the *rigour* of the related examinations so that they can differentiate between competent and non-competent candidates; and align the learning experience of candidates to the *real* world of business.

The changes to the content of the qualification are evolutionary rather than revolutionary. New material such as 'Big Data', sustainability, integrated reporting and finance function transformation has been added. Existing themes on costing, cost management, cost leadership and risk management have been strengthened. The qualification is more consistent across levels and pillars, and is more coherent.

Major changes have been made to the assessment of candidates in line with developments in the use of technology in education and industry. The structure, type, technology and frequency of assessments have changed. A two-tier structure has been introduced, comprising objective tests for each subject and an integrated case study at each level. These assessments are computer based and can be taken on demand (for objective tests) and four times a year (for integrated case studies). The first examinations took place in the first quarter of 2015.

The changes are based on robust and comprehensive research, including face-to-face meetings with organisations in four major countries; roundtable discussions in 13 countries in Asia, Africa, Europe and North America; and a global online question survey involving over 3,000 respondents. In all these, our objective is **to produce competent and confident management accounting professionals who can guide and lead their organisations to sustainable success.**

I urge you to take the time to read this document and recommend the CIMA Professional Qualification Syllabus to you without reservation.



Noel Tagoe PhD, FCMA, CGMA
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CIMA 2015 syllabus and assessment

To produce competent and confident management accounting professionals who can guide and lead their organisations to sustainable success.

CGMA COMPETENCY FRAMEWORK

Employers define the competencies accounting and finance staff need to drive successful businesses.

2015 CIMA SYLLABUS

CIMA develops the competency-based syllabus to define learning outcomes in terms of the skills, knowledge and abilities that will be tested in examinations.

LEARNING

CIMA and its education partners provide learning materials and student support to facilitate student learning.

EXAMINATIONS

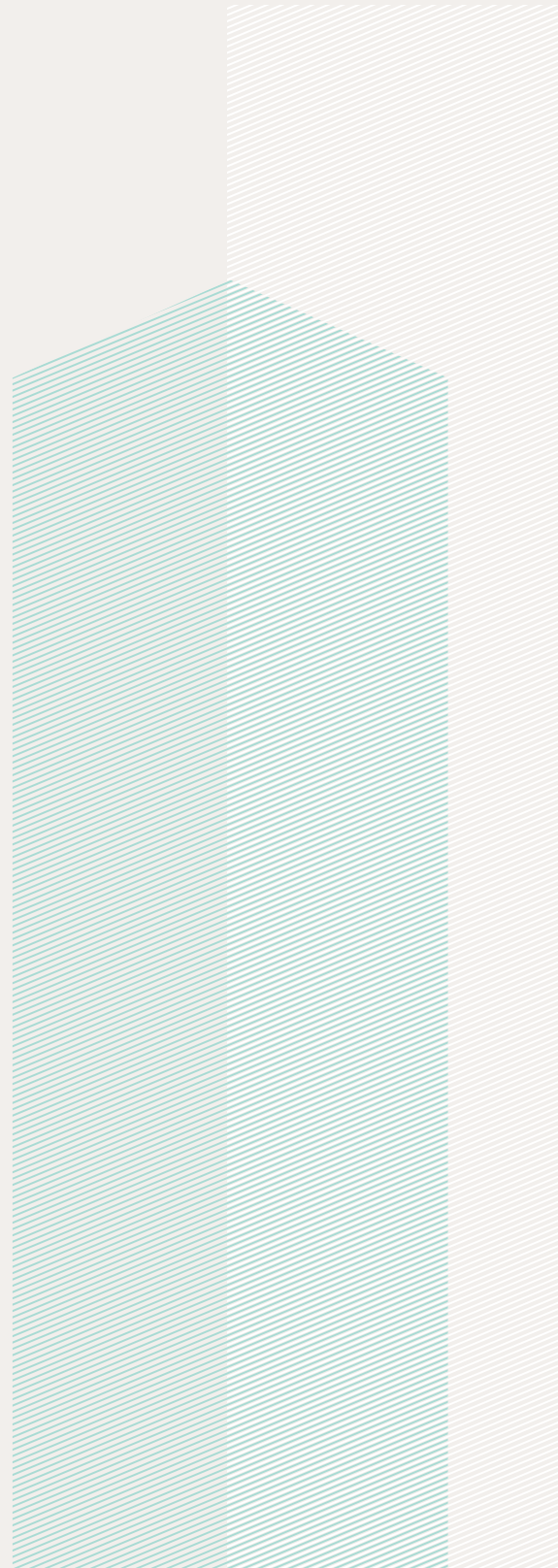
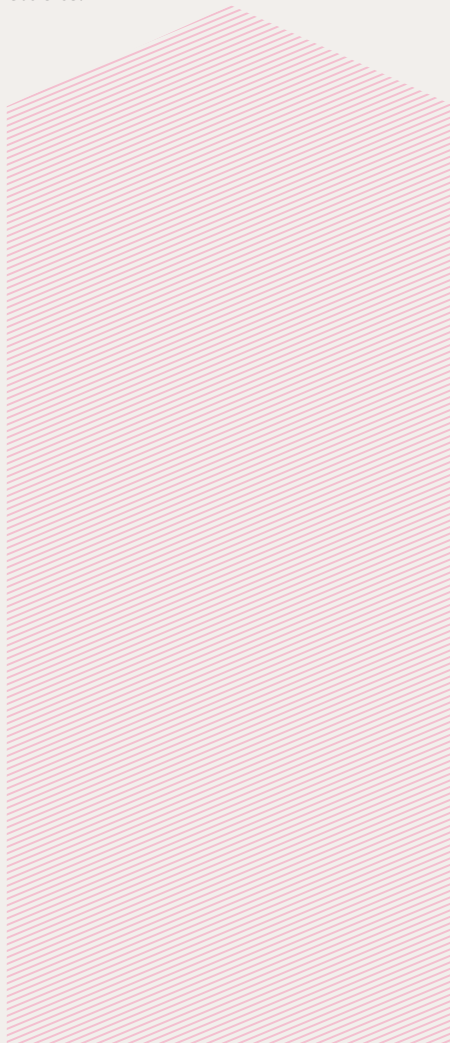
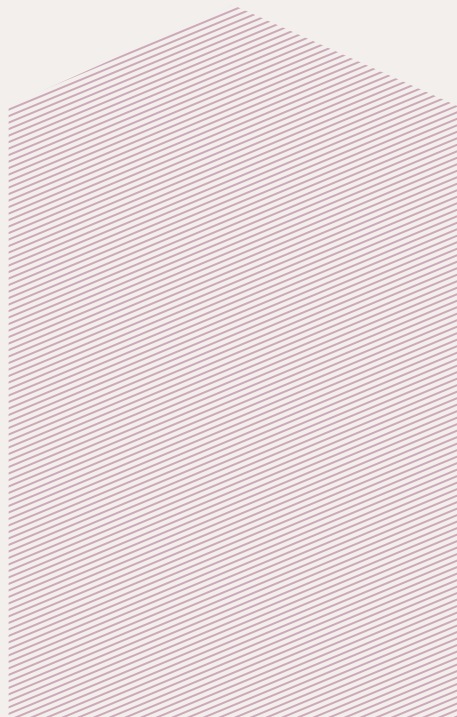
CIMA designs and administers exams that demonstrate successful candidates are competent and business ready.

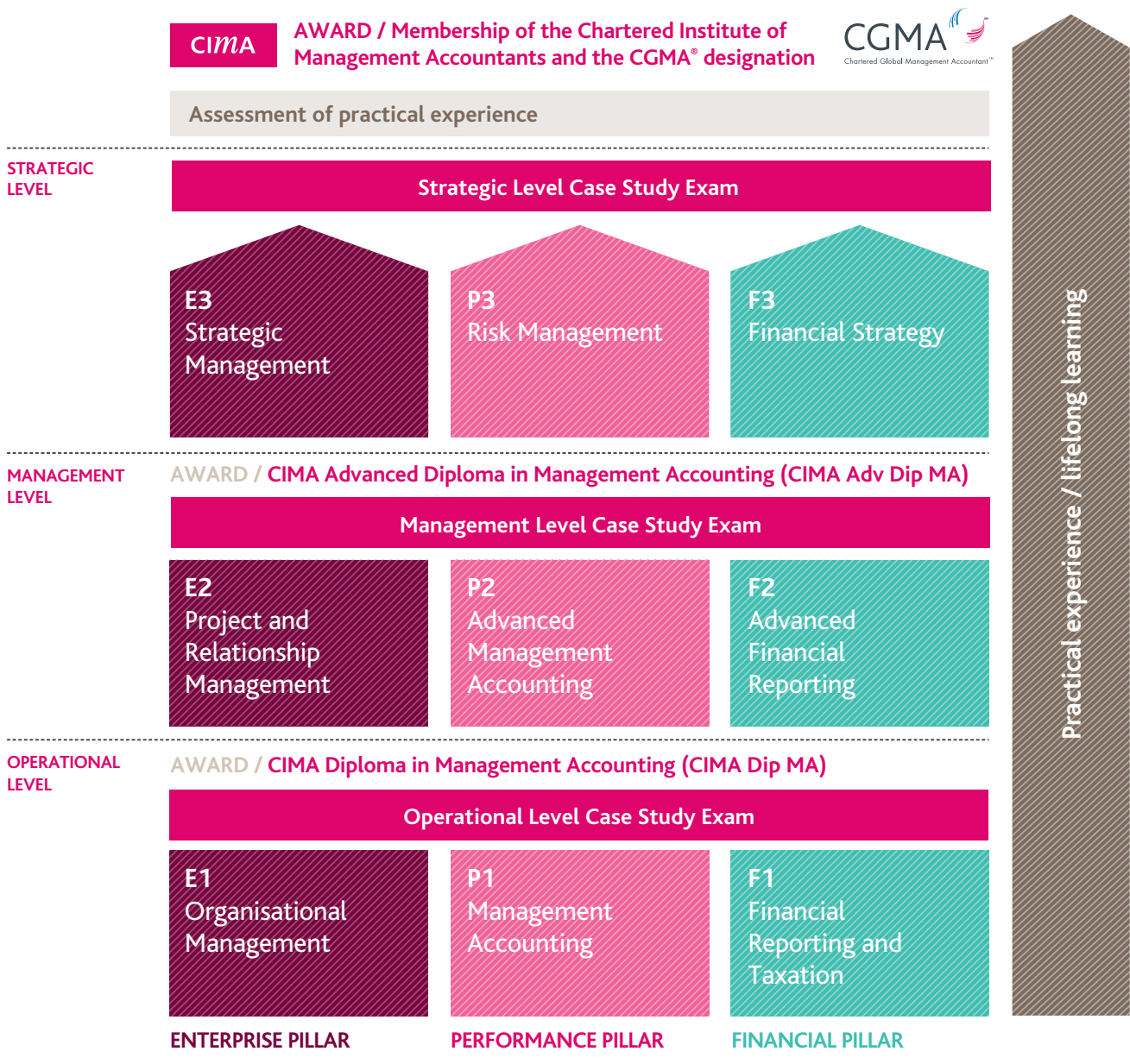
THE CIMA PROFESSIONAL QUALIFICATION

The CIMA Professional Qualification comprises three pillars of domain knowledge divided into three levels of achievement. The pillars are Enterprise, Performance and Financial. The levels are Operational, Management and Strategic. When combined with the required practical experience, the CIMA qualification ensures that members are business ready. The syllabus and related assessment will ensure that CIMA qualified finance professionals are competent in their accounting, finance and other skills, and confident in using them to add value to the many organisations in which they work.

To complete the CIMA qualification, and be able to use the Chartered Global Management AccountantSM (CGMA[®]) designation, students need to:

- meet the entry requirements of the professional level qualification
- study for and complete the relevant professional level assessments, culminating in the Strategic Case Study Exam
- complete three years of relevant practical experience, which can be gained before, during and/or after studies.





Pre-requisite entry requirements (e.g. CIMA Certificate in Business Accounting, degrees in business or accounting or AAT Technician/Diploma level [level 4]).

THE CGMA COMPETENCY FRAMEWORK

Following comprehensive global research with organisations of various sizes in different sectors, CIMA – in consultation with the American Institute of Certified Public Accountants (AICPA) – developed a framework which shows the skills, abilities and competencies that finance professionals need to help drive the success of their organisations.

The competency framework is based on what organisations expect finance professionals to do. Finance professionals are expected to apply accounting and finance skills within the context of the business/organisations in which they operate. They are expected to influence the decisions, actions and behaviours of their colleagues within their organisation and outside it, and to provide leadership at all levels. To do this, they need technical accounting and finance skills, business skills, people skills and leadership skills.

Here are the skills and abilities of the CGMA Competency Framework in more detail:

Technical skills

Financial accounting and reporting, cost accounting and management, planning and control, management reporting and analysis, corporate finance and treasury management, risk management and internal control, taxation and accounting information systems.

Business skills

Strategy, analysis of market and macro-economic environments, process management, business relations, project management and awareness of the regulatory environment.

People skills

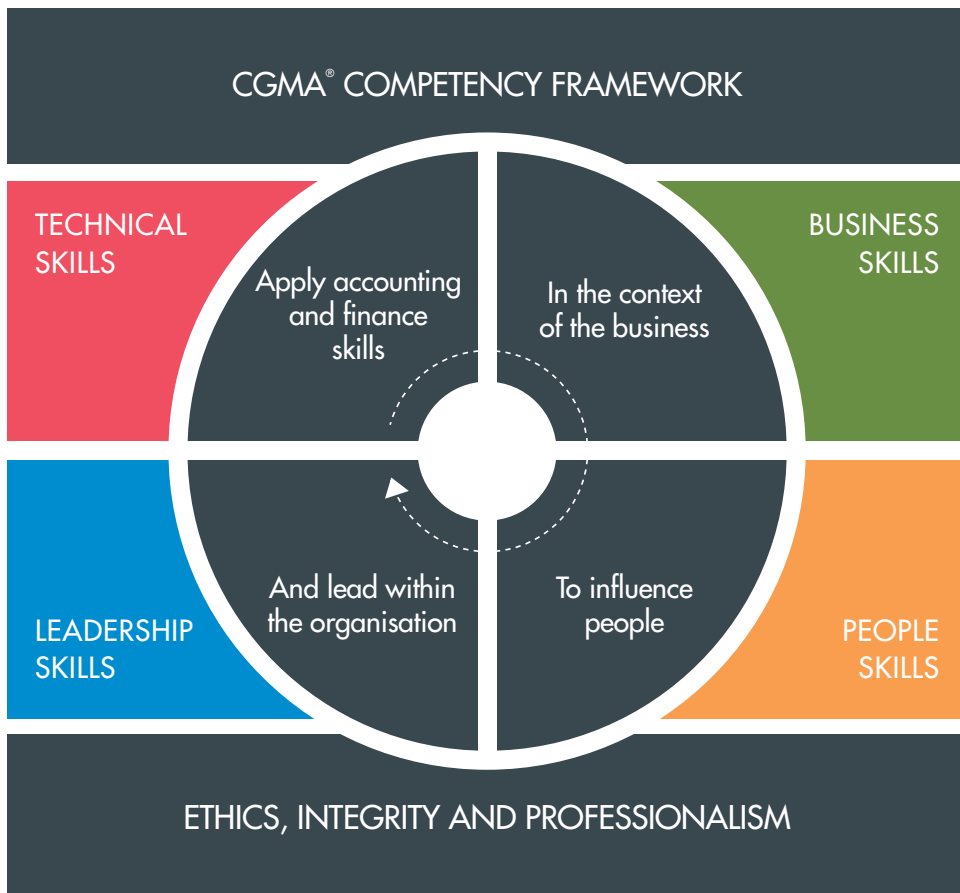
Ability to influence, negotiation skills, decision-making, collaborative working and communication.

Leadership skills

Team building, coaching and mentoring, driving performance, change management, and ability to motivate and inspire.

All these are underpinned by **ethics, integrity** and **professionalism**.

The CGMA Competency Framework provides the foundation for CIMA's 2015 Syllabus and assessment strategy and methods. Later in this document, there will be more about the competency framework, and how it links to specific areas of the syllabus.



STRUCTURE OF THE CIMA SYLLABUS

The CIMA syllabus comprises nine separate subjects that are organised in three pillars and three levels.

The pillars

The three pillars represent specific areas of knowledge. The content of each pillar develops as students move up the qualification. The three pillars are interlinked to provide a coherent body of knowledge that will equip successful students with the competencies they require.

The Enterprise Pillar deals with the formulation of strategy, as well as its effective implementation. It emphasises how change management, project management, relationship management and the structuring of organisations can help to successfully implement strategy.

The Performance Pillar uses the tools and techniques of management accounting and risk management to ensure that strategy is realistic and to monitor its implementation. It shows students how to use their understanding of costs to construct budgets, make decisions about prices and capital expenditure, manage costs and manage performance. It develops the ability of students to progressively identify, classify, evaluate and manage risk.

The Financial Pillar focus is the financial accounting and reporting obligations of the organisation. This includes an understanding of the regulatory framework and external reporting requirements, and the ability to construct and evaluate complex financial statements to show the financial position and performance of the organisation. The fundamentals of business tax are covered, as are the tax implications of financing decisions. It also looks at formulating financial strategy, which is linked to the formulation of organisational strategy in the enterprise pillar and assessing risk in the performance pillar.

The subjects in each learning pillar are designed to be sequential, from Operational to Strategic Level, encouraging the progressive development of knowledge, techniques and skills.

The levels

The syllabus is also divided into three levels of achievement. Students progress from the Operational Level to the Management Level and finally to the Strategic Level. At each level students study subjects across the three pillars.

The Operational Level covers the implementation of strategy, as well as reporting on the implementation of strategy. Its focus is the short-term.

The Management Level translates the strategy decided at higher levels, and communicates it to lower levels for implementation. It monitors and reports on the implementation of strategy, and ensures corrective action is taken when required. It has a medium-term focus.

The Strategic Level concentrates on making strategic decisions and providing the context for which those decisions will be implemented. Its focus is the long-term.

Syllabus topic weightings

Each subject is divided into a number of broad syllabus topics. A percentage weighting is shown against each syllabus topic and is intended as a guide to the proportion of study time each topic requires.

It is essential that all topics in the syllabus are studied, as all topics will be examined. The weightings do not specify the number of marks that will be allocated to topics in the examination.

STRATEGIC (DECIDE)	E3 Strategic Management	P3 Risk Management	F3 Financial Strategy
	<p>A Interacting with the organisation's environment 20%</p> <p>B Evaluating strategic position and strategic options 30%</p> <p>C Leading change 20%</p> <p>D Implementing strategy 15%</p> <p>E The role of information systems in organisational strategy 15%</p>	<p>A Identification, classification and evaluation of risk 20%</p> <p>B Responses to strategic risk 20%</p> <p>C Internal controls to manage risk 20%</p> <p>D Managing risks associated with cash flows 20%</p> <p>E Managing risks associated with capital investment decisions 20%</p>	<p>A Formulation of financial strategy 25%</p> <p>B Financing and dividend decisions 35%</p> <p>C Corporate finance 40%</p>
<p>MAKE STRATEGIC DECISIONS</p> <p>PROVIDE OVERALL CONTEXT FOR EFFECTIVE IMPLEMENTATION OF STRATEGY</p>			
MANAGEMENT (MONITOR)	E2 Project and Relationship Management	P2 Advanced Management Accounting	F2 Advanced Financial Reporting
	<p>A Introduction to strategic management and assessing the global environment 30%</p> <p>B The human aspects of the organisation 20%</p> <p>C Managing relationships 20%</p> <p>D Managing change through projects 30%</p>	<p>A Cost planning and analysis for competitive advantage 25%</p> <p>B Control and performance management of responsibility centres 30%</p> <p>C Long-term decision making 30%</p> <p>D Management control and risk 15%</p>	<p>A Sources of long-term finance 15%</p> <p>B Financial reporting 60%</p> <p>C Analysis of financial performance and position 25%</p>
<p>MONITOR IMPLEMENTATION OF STRATEGY</p> <p>ENSURE CORRECTIVE ACTION IS TAKEN</p>			
OPERATIONAL (IMPLEMENT)	E1 Organisational Management	P1 Management Accounting	F1 Financial Reporting and Taxation
	<p>A Introduction to organisations 25%</p> <p>B Managing the finance function 15%</p> <p>C Managing technology and information 15%</p> <p>D Operations management 15%</p> <p>E Marketing 15%</p> <p>F Managing human resources 15%</p>	<p>A Cost accounting systems 30%</p> <p>B Budgeting 25%</p> <p>C Short-term decision making 30%</p> <p>D Dealing with risk and uncertainty 15%</p>	<p>A Regulatory environment for financial reporting and corporate governance 10%</p> <p>B Financial accounting and reporting 45%</p> <p>C Management of working capital, cash and sources of short-term finance 20%</p> <p>D Fundamentals of business taxation 25%</p>
<p>IMPLEMENT STRATEGY</p> <p>REPORT ON IMPLEMENTATION OF STRATEGY</p>			
	ENTERPRISE PILLAR	PERFORMANCE PILLAR	FINANCIAL PILLAR
	<p>Articulate a vision</p> <p><i>How do we develop strategy?</i></p> <p><i>How do we plan for its effective implementation?</i></p>	<p>Ground the vision in reality</p> <p><i>How do we ensure our strategy is realistic?</i></p> <p><i>How do we monitor activity to ensure strategy is being implemented effectively?</i></p>	<p>Report attainment of the vision</p> <p><i>How do we prepare financial statements?</i></p> <p><i>How do we interpret financial statements to understand our performance and to help us make decisions?</i></p>

LEAD LEARNING OUTCOMES

Each syllabus topic contains one or more lead learning outcomes, related component learning outcomes and indicative syllabus content.

Each lead learning outcome:

- defines the skill or ability that a well-prepared candidate should be able to exhibit in an examination
- is examinable and demonstrates the approach likely to be taken in examination questions.

The lead learning outcomes are part of a hierarchy of learning objectives. The verbs used at the beginning of each learning outcome relate to a specific learning objective e.g.

Evaluate performance using fixed and flexible budget reports.

The verb '**evaluate**' indicates a high-level learning objective (level 5). Because learning objectives are hierarchical, it is expected that at this level, students will have knowledge of fixed and flexible budget techniques, be able to apply them and assess performance using relevant reports.

The table lists the learning objectives and the verbs that appear in the syllabus learning outcomes.

Levels

5

4

3

2

1

Learning objective	Verbs used	Definition
<p>EVALUATION How you are expected to use your learning to evaluate, make decisions or recommendations.</p>	<p>Advise Evaluate Recommend</p>	<p>Counsel, inform or notify. Appraise or assess the value of. Propose a course of action.</p>
<p>ANALYSIS How you are expected to analyse the detail of what you have learned.</p>	<p>Analyse Categorise Compare and contrast Construct Discuss Interpret Prioritise Produce</p>	<p>Examine in detail the structure of. Place into a defined class or division. Show the similarities and/or differences between. Build up or compile. Examine in detail by argument. Translate into intelligible or familiar terms. Place in order of priority or sequence for action. Create or bring into existence.</p>
<p>APPLICATION How you are expected to apply your knowledge.</p>	<p>Apply Calculate Demonstrate Prepare Reconcile Solve Tabulate</p>	<p>Put to practical use. Ascertain or reckon mathematically. Exhibit by practical means. Make or get ready for use. Make or prove consistent/compatible. Find an answer to/prove with certainty. Arrange in a table.</p>
<p>COMPREHENSION What you are expected to understand.</p>	<p>Describe Distinguish Explain Identify Illustrate</p>	<p>Communicate the key features of. Highlight the differences between. Make clear or intelligible/state the meaning or purpose of. Recognise, establish or select after consideration. Use an example to describe or explain something.</p>
<p>KNOWLEDGE What you are expected to know.</p>	<p>List State Define</p>	<p>Make a list of. Express, fully or clearly, the details/facts of. Give the exact meaning of.</p>

STRUCTURE OF THE CIMA ASSESSMENTS

CIMA's computerised assessments support the competency-based syllabus and respond to the changing needs of students and employers. The move away from paper-based examinations reflects the wider use of technology, both within education, and in the workplace. These methods of assessment also ensure the learning outcomes tested will be those that demonstrate the knowledge, skill and abilities required for businesses today.

Two types of examinations will be used for the CIMA Professional Qualification – nine objective tests and three integrated case studies. Each of the nine subjects will be assessed by an objective test.

The case study exams will be used for each level of the CIMA syllabus (Operational, Management and Strategic) integrating knowledge across the three pillars.

The diagram shows how the objective tests and integrated case studies are structured at each level.

Objective tests

The objective tests will focus on levels one, two and three of the CIMA hierarchy of learning objectives. However, they will also test levels four and five, especially at the management and strategic levels. Therefore, candidates can expect to be tested on knowledge, comprehension, application, analysis and evaluation, in these examinations.

The objective tests are 90 minutes long. The results will be available shortly after sitting an objective test, and will provide candidates with specific feedback. Where a student has not passed, this feedback will provide information to help guide them in revising, prior to re-sitting. Within each level, candidates are able to sit the objective tests in any order. However, they must complete (or receive an exemption from) the three objective tests at each level, prior to attempting that level's integrated case study. Each level's case study must be completed before progressing to the next level's objective tests.

Integrated case study exams

The integrated case study exams combine the knowledge and learning across the three pillars, and are set within a simulated business context relating to one or more fictionalised organisations – based on a real business or industry. Examples of these are provided on the CIMA website.

The integrated case studies are three hours long. They include both pre-seen material (including a database of related information), and unseen material, made available during the assessment.

The case studies incorporate long and short responses, supported by analysis of both financial and non-financial information. Their focus is on: application, analysis and evaluation which are levels three, four and five of the CIMA hierarchy of verbs. The case studies will be marked by examiners.

Simulated business issues in the integrated case studies provide candidates with the opportunity to demonstrate their familiarity with the context and interrelationships of that level's subjects. This reflects the cross-functional working required in the workplace. Skills will include research and analysis, presentation of both financial and non-financial information, and communication skills.

Feedback will be provided to candidates with their results. Exam sittings for the case study exams will occur every three months. Candidates must have completed (or have been exempt from) the three objective tests at a particular level, before attempting that level's integrated case study.

Test centres – Pearson VUE

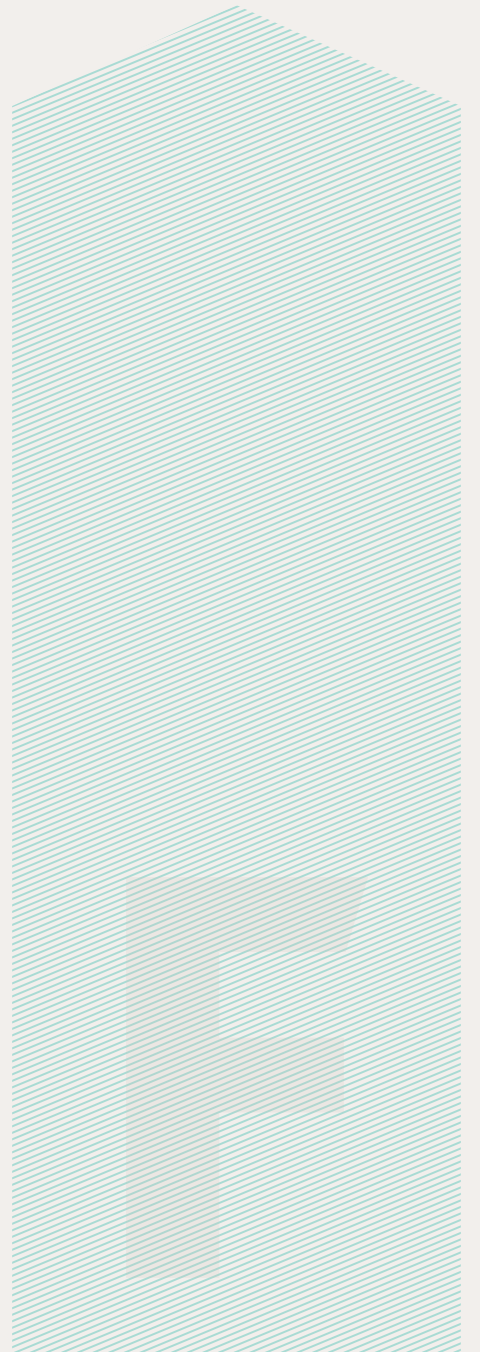
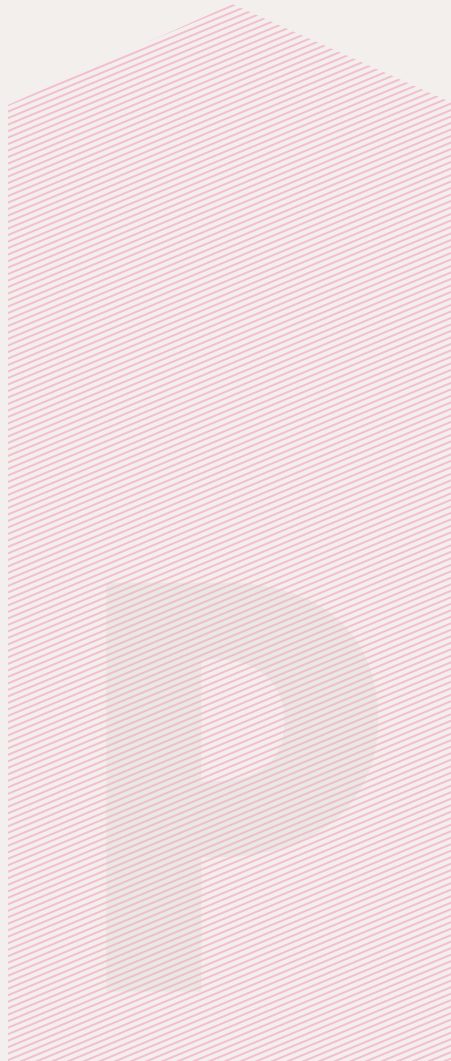
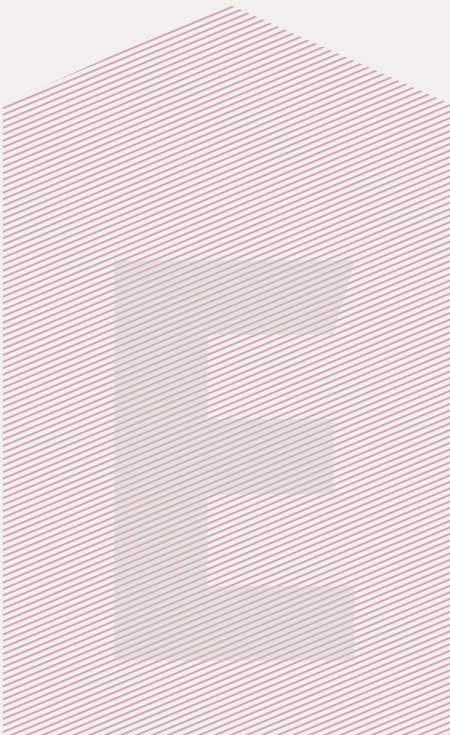
CIMA is working in partnership with Pearson VUE, who have over 20 years of experience in offering electronic testing and already run computer based assessments for the CIMA Certificate in Business Accounting. There are currently over 5,000 Pearson VUE test centres in 180 countries. Locations of Pearson VUE test centres can be found via the CIMA website.



Pre-requisite entry requirements (e.g. CIMA Certificate in Business Accounting, degrees in business or accounting or AAT Technician/Diploma level [level 4]).

SUMMARY OF THE PILLARS

	LEVEL	SUBJECT	SYLLABUS TOPIC			
ENTERPRISE PILLAR	STRATEGIC	E3 Strategic Management	A Interacting with the organisation's environment B Evaluating strategic position and strategic options C Leading change D Implementing strategy E The role of information systems in organisational strategy	20% 30% 20% 15% 15%		
	MANAGEMENT	E2 Project and Relationship Management	A Introduction to strategic management and assessing the global environment B The human aspects of the organisation C Managing relationships D Managing change through projects	30% 20% 20% 30%		
	OPERATIONAL	E1 Organisational Management	A Introduction to organisations B Managing the finance function C Managing technology and information D Operations management E Marketing F Managing human resources	25% 15% 15% 15% 15% 15%		
	PERFORMANCE PILLAR	STRATEGIC	P3 Risk Management	A Identification, classification and evaluation of risk B Responses to strategic risk C Internal controls to manage risk D Managing risks associated with cash flows E Managing risks associated with capital investment decisions	20% 20% 20% 20% 20%	
		MANAGEMENT	P2 Advanced Management Accounting	A Cost planning and analysis for competitive advantage B Control and performance management of responsibility centres C Long-term decision making D Management control and risk	25% 30% 30% 15%	
		OPERATIONAL	P1 Management Accounting	A Cost accounting systems B Budgeting C Short-term decision making D Dealing with risk and uncertainty	30% 25% 30% 15%	
		FINANCIAL PILLAR	STRATEGIC	F3 Financial Strategy	A Formulation of financial strategy B Financing and dividend decisions C Corporate finance	25% 35% 40%
			MANAGEMENT	F2 Advanced Financial Reporting	A Sources of long-term finance B Financial reporting C Analysis of financial performance and position	15% 60% 25%
			OPERATIONAL	F1 Financial Reporting and Taxation	A Regulatory environment for financial reporting and corporate governance B Financial accounting and reporting C Management of working capital, cash and sources of short-term finance D Fundamentals of business taxation	10% 45% 20% 25%

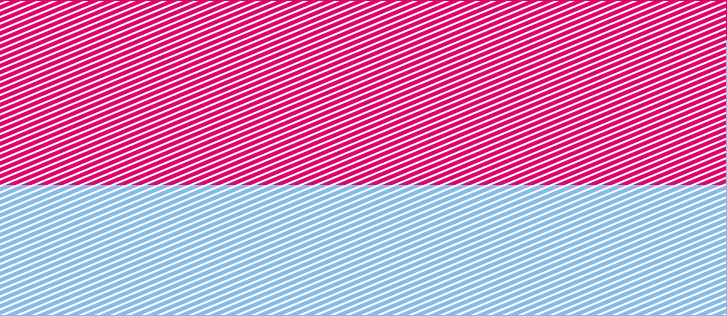




*The full syllabus
Operational Level*



TO THE NEXT LEVEL



This section sets out the specific content for each of the subjects at the Operational Level. The focus is on the implementation of strategy in the short term. E1 looks at the structuring of organisations and how the interrelated parts of the organisation work together to execute strategy. In P1, students learn how to implement strategy by constructing budgets and making pricing/volume decisions. The ability to

do these is enhanced by an understanding of costs and how to manage short-term risks. F1 teaches students how to manage cash and working capital in support of the organisation's activities. Students also learn how to prepare financial statements and the principles and application of business taxation. The subjects will be examined by individual objective tests and an integrated case study.

THE FULL SYLLABUS

OPERATIONAL LEVEL

E1

ORGANISATIONAL MANAGEMENT

Syllabus overview

E1 focuses on the structuring of organisations. It covers the structure and principles underpinning the operational functions of the organisation, their efficient management and effective interaction in enabling the organisation to achieve its strategic objectives. It lays the foundation for gaining further insight into both the immediate operating environment and long-term strategic future of organisations, which are covered in E2 and E3.

E1 – A. INTRODUCTION TO ORGANISATIONS (25%)

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

Lead	Component
1. discuss the different types of structure that an organisation may adopt.	(a) discuss the different purposes of organisations
	(b) explain the different structures organisations may adopt
	(c) explain the various forms and functional boundaries of the organisation including externalisation, shared service centres (SSC) and business process outsourcing (BPO).
2. discuss relationships between internal and external sources of governance, regulation and professional behaviour.	(a) discuss the purpose and principles of good corporate governance, the ethical responsibilities of the organisation and individuals, and ways of achieving corporate social responsibility.

Summary of syllabus

Weight	Syllabus topic
25%	A. Introduction to organisations
15%	B. Managing the finance function
15%	C. Managing technology and information
15%	D. Operations management
15%	E. Marketing
15%	F. Managing human resources

Indicative syllabus content

- Ownership:
 - private sector, public sector.
- Motive:
 - for-profit, non-profit.
- Mission and vision:
 - shared values and beliefs.
- Creating value for stakeholders:
 - control and coordination of resources to achieve goals and outcomes
 - efficient production of goods and services
 - facilitating innovation.
- Organisational configuration (Mintzberg):
 - technical core
 - technical support
 - administrative support
 - top and middle management.
- Organisational configuration, contextual dimensions, the effect of:
 - technology
 - environment
 - culture.
- Structural dimensions, influence of:
 - size
 - formalisation
 - specialisation
 - organisation type e.g. sole-trader, partnership, company, multinational.
- Structural organisation:
 - functional
 - divisional
 - matrix
 - geographical.
- Closed and open systems.
- Vertical and horizontal structures.
- Outsourcing.
- Alliances.
- Virtual network structure.
- Corporate governance, including expectations of stakeholders and the role of government.
- Creating an ethical organisation.
- Principles of corporate social responsibility (CSR).
- Developing business-government relations.
- The impact of regulation on the organisation.
- Role of institutions and governance in economic growth.
- Personal business ethics and the fundamental principles (Part A) of the CIMA Code of Ethics for Professional Accountants.

E1 – B. MANAGING THE FINANCE FUNCTION (15%)

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

Lead	Component
1. discuss the purpose of the finance function and its relationships with other parts of the organisation.	(a) demonstrate the contribution the finance function makes to the sustainable delivery of the organisation's strategies in a range of contexts
	(b) analyse the components of the finance function (financial and management accounting, treasury, company secretarial and internal audit)
	(c) discuss the potential for conflict within the role of the finance function.
2. explain how the finance function supports the organisation's strategies and operations.	(a) explain the activities fundamental to the role of the finance function (accounting operations, analysis, planning, decision making and control)
	(b) explain the contemporary transformation of the finance function.

Indicative syllabus content

- Stewardship and control of physical and financial resources within the organisation.
- Interpreting and reporting the financial position of the organisation for external stakeholders (including statutory requirements) and internal management.
- Collating and providing information to enable efficient asset management and cost effective operation of the organisation.
- Comparing the current position with forecast/budget expectations and indicating where and how differences have occurred. Providing this in a timely and accurate manner.
- Assisting and interacting with other functions in providing solutions to variances.

- Financial accounting – ensuring accurate asset values, efficient working capital management, statutory reporting.
- Management accounting – operational reporting (profit and loss) cost control, variance analysis.
- Treasury management – sourcing finance, currency management, effective taxation administration.
- Company secretarial.
- Internal audit – ensuring compliance, fraud detection and avoidance.

- Potential conflicts:
 - interdependence/independence.
 - short-term/long-term.
 - capital/revenue.

- Preparation of statutory reports.
- Preparation of plans, forecasts, budgets.
- Working capital reporting and control, inventories, receivables, payables, cash.
- Provision of analysis to support decisions.
- Performance reporting, budget/actuals.
- Cost reporting, product/process.
- Ensuring systems in place to provide timely and accurate control information.

- Reconfiguration:
 - bureaucratic to market oriented.
- Shared services:
 - outsourced market orientation.
- Business Process Re-engineering:
 - roles of process working.
- Relocation:
 - retained/near-shore/off-shore.
- Segregation of the finance function:
 - transactional/transformational activities.
- Business partners:
 - support involvement.

E1 – C. MANAGING TECHNOLOGY AND INFORMATION (15%)

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

Lead	Component
1. demonstrate the purpose of the technology and information function and its relationships with other parts of the organisation.	(a) demonstrate the value of information systems in organisations
	(b) demonstrate ways of organising and managing information systems in the context of the wider organisation.
2. explain how information systems support the organisation's strategies and operations.	(a) explain the technical components and options for information technology system design
	(b) explain the role of emerging technologies e.g. Big Data, digitisation and their uses.

Indicative syllabus content

- The role of information systems in organisations.
 - Emerging information system trends in organisations. The networked enterprise, organisational benefits, customer relationship management systems.
-
- Information technology – enabling transformation; the emergence of new, more virtual forms of organisation, technology infrastructure.
 - Geographically dispersed (virtual) teams; role of information systems in virtual teams and challenges for virtual collaboration.
 - Managing knowledge, enhancing internal and external relationships.
 - Ethical and social issues associated with information systems.
-
- Evaluating costs and benefits of information systems.
 - The internet, intranet, wireless technology, cloud technologies.
 - Privacy and security.
 - Overview of systems architecture and data flows.
 - Big Data information management:
 - large volumes of data
 - complexity and variety of data
 - velocity, real time data.
-
- Enhancing decision making support using Big Data and analytics:
 - identifying business value
 - relating to customer requirements
 - developing organisational blueprint
 - building capabilities on business priorities
 - ensuring measurable outcomes.
 - Information system implementation as a change management process; avoiding problems of non-usage and resistance.
 - System changeover methods (i.e. direct, parallel, pilot and phased).
 - Information system outsourcing (different types of sourcing strategies; client-vendor relationships).
 - E-commerce, digital markets, social media, digital goods.
 - Remote working, hot desking.
 - Big Data and digitisation:
 - addressing customer needs
 - effective and speedy decisions.

E1 – D. OPERATIONS MANAGEMENT (15%)

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

Lead	Component
1. demonstrate the purpose of the operations function and its relationships with other parts of the organisation.	(a) demonstrate the contribution of operations management to the efficient production and delivery of fit-for-purpose goods and services (b) demonstrate how supply chains can be established and managed.
2. apply tools and techniques of operations management.	(a) apply the tools and concepts of operations management to deliver sustainable performance (b) explain how relationships within the supply chain can be managed.

Indicative syllabus content

- Overview of operations strategy and its importance to the firm.
- Procurement as a strategic process in supply chain management.
- Development of relationships with suppliers, including the use of supply portfolios.
- Supply chains in competition with each other; role of supply networks; demand networks as an evolution of supply chains.
- Design of products/services and processes and how this relates to operations and supply.
- The concept of CSR and sustainability in operations management.
- Process design.
- Product and service design.
- Supply network design.
- Forecasting.
- Layout and flow.
- Process technology:
 - CNC, Robots, AGV, FMS, CIM
 - decision support systems
 - expert systems.
- Work study.
- Capacity planning and control, inventory control.
- Supply chain planning and control:
 - lean synchronisation
 - contractual/relational approaches
 - material requirement planning
 - quality planning and control
 - statistical process control
 - operational improvement, total quality management (TQM), Kaizen, Six Sigma, Lean thinking
 - reverse logistics.

E1 – E. MARKETING (15%)

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

Lead	Component
1. demonstrate the purpose of the marketing function and its relationships with other parts of the organisation.	(a) apply the marketing concept and principles in a range of organisational contexts
	(b) apply the elements of the marketing mix.
2. apply tools and techniques to formulate the organisation's marketing strategies, including the collection, analysis and application of Big Data.	(a) apply the main techniques of marketing
	(b) explain the role of emerging technologies and media in marketing.

Indicative syllabus content

- The marketing concept as a business philosophy.
- The marketing environment, including societal, economic, technological, political and legal factors affecting marketing (PESTEL).
- The role of marketing in the business plan of the organisation.
- Marketing in public sector and not-for-profit organisations e.g. charities, non-governmental organisations, etc.

- The 7 Ps:
 - product
 - place
 - price
 - promotion
 - processes
 - people
 - physical evidence.
- Theories of consumer behaviour (e.g. social interaction theory), as well as factors affecting buying decisions, types of buying behaviour and stages in the buying process.
- Social marketing and CSR.
- Social media and its effect on the organisation.

- Market research, including data gathering techniques and methods of analysis.
- Segmentation and targeting of markets, and positioning of products within markets.
- How business to business (B2B) and business to government (B2G) marketing differs from business to consumer (B2C) marketing in its different forms:
 - consumer marketing
 - services marketing
 - direct marketing
 - interactive marketing
 - E-marketing
 - internal marketing.
- Promotional tools and the promotion mix.
- The 'service extension' to the marketing mix.
- Devising and implementing a pricing strategy.
- Internal marketing as the process of training and motivating employees to support the firm's external marketing activities.
- Relationship marketing.
- Not-for-profit marketing.
- Experiential marketing.
- Postmodern marketing.

- Big Data analytics and its use in the marketing process:
 - predicting customer demand
 - improving the customer experience
 - monitoring multi-channel transactions
 - identifying customer preferences.
- Marketing communications, including viral, guerrilla and other indirect forms of marketing.
- Distribution channels and methods for marketing campaigns, including digital marketing.
- Brand image and brand value.
- Product development and product/service life-cycles.
- The differences and similarities in the marketing of products, services and experiences.
- Product portfolios and the product mix.
- Marketing sustainability and ethics.

E1 – F. MANAGING HUMAN RESOURCES (15%)

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

Lead	Component
1. demonstrate the purpose of the HR function and its relationships with other parts of the organisation.	(a) explain the contribution of HR to the sustainable delivery of the organisation's strategies (b) apply the elements of the HR cycle.
2. apply the tools and techniques of HRM.	(a) demonstrate the HR activities associated with developing employees (b) demonstrate the role of the line manager in the implementation of HR practices.

Indicative syllabus content

- The concept of HRM and its influence on organisational processes and performance.
- The psychological contract and its importance to retention.
- The relationship of the employee to other elements of the business.
- HR in different organisational forms, project based, virtual or networked firms and different organisational contexts.

- Acquisition:
 - identify staffing requirement
 - recruitment
 - selection.
- Development:
 - training
 - evaluation
 - progression.
- Maintenance:
 - monetary and non-monetary benefits.
- Separation:
 - voluntary and involuntary.

- Practices associated with recruiting and developing appropriate abilities including recruitment and selection of staff using different recruitment channels:
 - interviews
 - assessment centres, intelligence tests, aptitude tests
 - psychometric tests
 - competency frameworks.
- Issues relating to fair and legal employment practices (e.g. recruitment, dismissal, redundancy, and ways of managing these).
- The distinction between training and development, and the tools available to develop and train staff.
- The design and implementation of induction programmes.
- Practices related to motivation including issues in the design of reward systems:
 - the role of incentives
 - the utility of performance-related pay
 - arrangements for knowledge workers
 - flexible work arrangements.

- The importance of appraisals, their conduct and their relationship to the reward system.
- Practices related to the creation of opportunities for employees to contribute to the organisation including; job design, communications, involvement procedures and principles of negotiation.
- Problems in implementing HR plans appropriate to a team and ways to manage this.
- Preparation of an HR plan. Forecasting personnel requirements: retention, absence and leave, employee turnover.
- Ethical code and the interface with HR practice.

THE FULL SYLLABUS

OPERATIONAL LEVEL

P1

MANAGEMENT ACCOUNTING

Syllabus overview

P1 stresses the importance of costs and the drivers of costs in the production, analysis and use of information for decision making in organisations.

The time focus of P1 is the short term. It covers budgeting as a means of short-term planning to execute the strategy of organisations. In addition it provides competencies on how to analyse information on costs, volumes and prices to take short-term decisions on products and services and to develop an understanding on the impact of risk to these decisions. P1 provides the foundation for cost management and the long-term decisions covered in P2.

P1 – A. COST ACCOUNTING SYSTEMS (30%)

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

Lead	Component
1. discuss costing methods and their results.	(a) apply marginal (or variable) throughput and absorption accounting methods in respect of profit reporting and inventory valuation
	(b) compare and contrast activity-based costing with traditional marginal and absorption costing methods
	(c) apply standard costing methods including the reconciliation of budgeted and actual profit margins, distinguishing between planning and operational variances
	(d) interpret material, labour, variable overhead, fixed overhead and sales variances
	(e) explain the advantages and disadvantages of standard costing in various sectors and its appropriateness in the contemporary business environment
	(f) explain the impact of JIT manufacturing methods on cost accounting methods.
2. discuss the role of quality costing.	(a) discuss the role of quality costing as part of a total quality management (TQM) system.
3. explain the role of environmental costing.	(a) explain the role of environmental costing as part of an environmental management system.

Summary of syllabus

Weight	Syllabus topic
30%	A. Cost accounting systems
25%	B. Budgeting
30%	C. Short-term decision making
15%	D. Dealing with risk and uncertainty

Indicative syllabus content

- Marginal (or variable) throughput and absorption accounting systems of profit reporting and inventory valuation, including the reconciliation of budget and actual profit using absorption and/or marginal costing principles.
- Product and service costing using an activity-based costing system.
- Manufacturing standards for material, labour, variable overhead and fixed overhead.
- Standards and variances in service industries, public services (e.g. health and law enforcement), and the professions (e.g. labour mix variances in consultancies).
- Price/rate and usage/efficiency variances for materials, labour and variable overhead.
- Subdivision of total usage/efficiency variances into mix and yield variances.
- *Note: The calculation of mix variances on both individual and average valuation bases is required.*
- Interpretation of variances.
- Criticisms of standard costing including its use in the contemporary business environment.
- The impact of JIT production on cost accounting and performance measurement systems.
- The preparation of cost of quality reports including the classification of quality costs into prevention costs, appraisal costs, internal failure costs and external failure costs.
- The classification of environmental costs using the quality costing framework.
- Linking environmental costs to activities and outputs and their implication for decision making.
- The advantages and disadvantages of activity-based costing compared with traditional costing systems.
- Fixed overhead expenditure and volume variances.
- Subdivision of the fixed overhead volume variance into capacity and efficiency variances.
- Sales price and sales volume variances (calculation of the latter on a unit basis related to revenue, gross profit and contribution).
- Sales mix and sales quantity variances. Application of these variances to all sectors including professional services and retail.
- Planning and operational variances.
- Variance analysis in an activity-based costing system.
- The interrelationship between variances.
- The use of quality costing as part of a TQM system.
- The difficulties in measuring environmental costs and their impact on the external environment.
- The contribution of environmental costing to improved environmental and financial performance.

P1 – B. BUDGETING (25%)

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

Lead	Component
1. explain the purposes of forecasts, plans and budgets.	(a) explain the purposes of budgets, including planning, communication, coordination, motivation, authorisation, control and evaluation, and how these may conflict.
2. prepare forecasts of financial results.	(a) calculate projected product/service volumes, revenue and costs employing appropriate forecasting techniques and taking account of cost structures.
3. discuss budgets based on forecasts.	(a) prepare a budget for any account in the master budget, based on projections/forecasts and managerial targets (b) discuss alternative approaches to budgeting.
4. discuss the principles that underlie the use of budgets for control.	(a) discuss the concept of the budget as a control system and the use of responsibility accounting and its importance in the construction of functional budgets that support the overall master budget.
5. analyse performance using budgets, recognising alternative approaches and sensitivity to variable factors.	(a) analyse the consequences of 'what if' scenarios.

Indicative syllabus content

- The role of forecasts and plans in resource allocation, performance evaluation and control.
 - The purposes of budgets, the budgeting process and conflicts that can arise.
- Time series analysis including moving totals and averages, treatment of seasonality, trend analysis using regression analysis and the application of these techniques in forecasting product and service volumes.
- The budget setting process, limiting factors, the interaction between component budgets and the master budget.
- Alternative approaches to budget creation, including incremental approaches, zero-based budgeting and activity-based budgets.
- The use of budgets in planning and control e.g. rolling budgets and flexed budgets.
 - The concepts of feedback and feed-forward control.
 - Responsibility accounting and the link to controllable and uncontrollable costs.
- 'What if' analysis based on alternate projections of volumes, prices and cost structures.
 - The evaluation of out-turn performance using variances based on 'fixed' and 'flexed' budgets.

P1 – C. SHORT-TERM DECISION MAKING (30%)

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

Lead	Component
<p>1. explain concepts of cost and revenue relevant to pricing and product decisions.</p>	<p>(a) explain the principles of decision making, including the identification and use of relevant cash flows and qualitative factors</p> <p>(b) explain the conflicts between cost accounting for profit reporting and inventory valuation, and information required for decision making</p> <p>(c) explain the issues that arise in pricing decisions and the conflict between 'marginal cost' principles, and the need for full recovery of all costs incurred.</p>
<p>2. analyse short-term pricing and product decisions.</p>	<p>(a) apply relevant cost analysis to various types of short-term decisions</p> <p>(b) apply break-even analysis in multiple product contexts</p> <p>(c) analyse product mix decisions, including circumstances where linear programming methods are needed to identify 'optimal' solutions</p> <p>(d) 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.</p>

Indicative syllabus content

- Relevant cash flows and their use in short-term decision making.
 - Consideration of the strategic implications of short-term decisions.
-
- 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.
-
- The application of relevant cost analysis to short-term decisions, including special selling price decisions, make or buy decisions, discontinuation decisions and further processing decisions.
-
- Multi-product break-even analysis, including break-even and profit/volume charts, contribution/sales ratio, margin of safety etc.
-
- Simple product mix analysis in situations where there are limitations on product/service demand and one other production constraint.
 - Linear programming for situations involving multiple constraints.
 - Solution by graphical methods and simultaneous equations of two variable problems, and the meaning of 'optimal' solutions.
-
- The allocation of joint costs and decisions concerning process and product viability based on relevant costs and revenues.

P1 – D. DEALING WITH RISK AND UNCERTAINTY (15%)

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

Lead	Component
1. analyse information to assess risk and its impact on short-term decisions.	(a) discuss the nature of risk and uncertainty and the attitudes to risk by decision makers
	(b) analyse risk using sensitivity analysis, expected values, standard deviations and probability tables
	(c) apply decision models to deal with uncertainty in decision making.

Indicative syllabus content

- The nature of risk and uncertainty.
 - The effect of risk attitudes of individuals on decisions.
-
- Sensitivity analysis in decision modelling and the use of 'what if' analysis to identify variables that might have significant impacts on project outcomes.
 - Assignment of probabilities to key variables in decision models.
 - Analysis of probability distributions of project outcomes.
 - Standard deviations.
 - Expected value tables and the value of perfect and imperfect information.
 - Decision trees for multi-stage decision problems.
-
- Maximin, maximax and minimax regret criteria.
 - Payoff tables.

THE FULL SYLLABUS

OPERATIONAL LEVEL

F1

FINANCIAL REPORTING AND TAXATION

Syllabus overview

F1 covers the regulation and preparation of financial statements and how the information contained in them can be used. It provides the competencies required to produce financial statements for both individual entities and groups using appropriate international financial reporting standards. It also gives insight into how to effectively source and manage cash and working capital, which are essential for both the survival and success of organisations. The final part focuses on the basic principles and application of business taxation. The competencies gained from F1 form the basis for developing further insights into producing and analysing complex group accounts (covered in F2) and formulating and implementing financial strategy (covered in F3).

F1 – A. REGULATORY ENVIRONMENT FOR FINANCIAL REPORTING AND CORPORATE GOVERNANCE (10%)

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

Lead	Component
1. explain the need for and the process of regulating the financial reporting information of incorporated entities.	(a) explain the need for the regulation of the financial reporting information of incorporated entities and the key elements of an ethical regulatory environment for such information
	(b) explain the roles and structures of the key bodies involved in the regulation of financial reporting information
	(c) explain the scope of IFRS and how they are developed
	(d) describe the role of the external auditor in the context of the financial reporting information of incorporated entities and the content and significance of the audit report.
2. discuss the need for and key principles of corporate governance regulation.	(a) discuss the need for and scope of corporate governance regulation
	(b) compare and contrast the approach to corporate governance in different markets.

Summary of syllabus

Weight	Syllabus topic
10%	A. Regulatory environment for financial reporting and corporate governance
45%	B. Financial accounting and reporting
20%	C. Management of working capital, cash and sources of short-term finance
25%	D. Fundamentals of business taxation

Indicative syllabus content

<ul style="list-style-type: none"> The need for the regulation of financial reporting information. Key elements of the regulatory environment for financial reporting including local corporate law, local and international conceptual frameworks, local and international financial reporting standards and other regulatory bodies. 	<ul style="list-style-type: none"> Sources of professional codes of ethics. Provisions of the CIMA Code of Ethics for Professional Accountants of particular relevance to the preparation of financial reporting information. Rules-based versus principles-based approaches to accounting regulation.
<p>Role and structure of:</p> <ul style="list-style-type: none"> The IFRS Foundation. The International Accounting Standards Board (IASB). 	<ul style="list-style-type: none"> IFRS Advisory Council. IFRS Interpretations Committee. International Organisation of Securities Commissions (IOSCO).
<ul style="list-style-type: none"> Interaction of local GAAP bodies with the IASB. <i>Scope of specific standards in specialised circumstances – IAS 26 Accounting and Reporting by Retirement Benefit Plans, IAS 41 Agriculture, IFRS4 Insurance Contracts, IFRS6 Exploration for and Evaluation of Mineral Resources and IFRS for SMEs (specific knowledge of these standards will not be tested).</i> 	<ul style="list-style-type: none"> The standard setting process for IFRS.
<ul style="list-style-type: none"> Powers and duties of external auditors. Content of the audit report. 	<ul style="list-style-type: none"> Types of audit report. Significance of the audit report.
<ul style="list-style-type: none"> The need for corporate governance regulation. 	<ul style="list-style-type: none"> Scope of corporate governance regulation.
<ul style="list-style-type: none"> Approach to corporate governance regulations in primary markets around the world, in particular the US and UK. 	<ul style="list-style-type: none"> Key differences in approach across these markets.

F1 – B. FINANCIAL ACCOUNTING AND REPORTING (45%)

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

Lead	Component
1. explain the main elements of and key principles underpinning financial statements prepared in accordance with international financial reporting standards.	(a) describe the main elements of financial statements prepared in accordance with IFRS
	(b) explain the key principles contained within the IASB's Conceptual Framework for Financial Reporting.
2. produce the primary financial statements of an individual entity incorporating accounting transactions and adjustments, ensuring the ethical application of relevant international financial reporting standards.	(a) produce the primary financial statements from trial balance for an individual entity in accordance with IFRS
	(b) apply the rules contained in IFRS to generate appropriate accounting entries in respect of reporting performance, accounting for taxation, employee benefits, non-current assets, accounting for government grants, impairment, inventories and events after the reporting period
	(c) discuss the ethical selection and adoption of relevant accounting policies and accounting estimates.
3. produce the consolidated statement of financial position and consolidated statement of comprehensive income, ensuring the ethical application of relevant international financial reporting standards.	(a) explain whether an investment in another entity constitutes a subsidiary or an associate relationship in accordance with relevant international financial reporting standards
	(b) explain situations where a parent entity is exempt from preparing consolidated financial statements
	(c) produce the consolidated statement of financial position and statement of comprehensive income in accordance with relevant IFRS for a group comprising of one or more subsidiaries (being either wholly or partially directly owned) or associates, including interests acquired part way through an accounting period.

Indicative syllabus content

- Content of financial statements as specified in:
 - *preface to IFRS*
 - *IAS 1 Presentation of Financial Reporting*
 - *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*
 - *IAS 34 Interim Financial Reporting*
 - *IFRS 8 Operating Segments*.
- Key principles of the *Conceptual Framework for Financial Reporting*.
- Broad principles of accounting for fair values (contained in IFRS13 *Fair Value Measurement*).
- Production of the:
 - statement of financial position
 - statement of comprehensive income
 - statement of changes in equity
 - statement of cash flows
 - for a single incorporated entity in accordance with *IAS 1 Presentation of Financial Reporting and IAS7 Statement of Cash Flows*.
- Reporting performance – *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and IAS21 The Effects of Changes in Foreign Exchange Rates* (individual transactions only).
- Accounting for taxation – *IAS 12 Income Taxes* (not deferred tax).
- Employee benefits – *IAS 19 Employee Benefits*.
- Non-current assets – *IAS 16 Property, Plant and Equipment, IAS 23 Borrowing Costs, IAS 38 Intangible Assets, IAS 40 Investment Property, and IFRS 5 Non-current Assets Held for Sales and Discontinued Operations*.
- Accounting for government grants – *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*.
- Impairment – *IAS 36 Impairment of Assets*.
- Inventories – *IAS 2 Inventories*.
- Events after the reporting period – *IAS 10 Events after the Reporting Period*.
- Ethics in financial reporting in respect of selection and adoption of accounting policies and estimates.
- Provisions of *IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates* in respect of power to control and significant influence.
- Exemptions from preparing consolidated financial statements, in accordance with *IFRS 10 Consolidated Financial Statements* and the requirements of *IAS 27 Separate Financial Statements*.
- Principles of full consolidation and equity accounting in accordance with *IFRS 3 Business Combinations and IAS 28 Investments in Associates*.
- Production of:
 - consolidated statement of financial position
 - consolidated statement of comprehensive income.
- Including the adoption of both full consolidation and the principles of equity accounting, in accordance with the provisions of *IAS 1 Presentation of Financial Statements, IAS 28 Investments in Associates, IFRS3 Business Combinations and IFRS 10 Consolidated Financial Statements*. *Note: fair value adjustments in respect of assets and liabilities at acquisition will not be tested, however non-controlling interests at either fair value or share of net assets will be tested.*

F1 – C. MANAGEMENT OF WORKING CAPITAL, CASH AND SOURCES OF SHORT-TERM FINANCE (20%)

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

Lead	Component
<p>1. describe the sources of short-term finance and cash investment.</p>	<p>(a) describe the sources of short-term finance and methods of short-term cash investment available to an entity.</p>
<p>2. evaluate the working capital position of an entity.</p>	<p>(a) analyse trade receivables, trade payables and inventory ratios</p> <p>(b) discuss policies for the management of the total level of investment in working capital and for the individual elements of working capital</p> <p>(c) evaluate working capital policies</p> <p>(d) discuss approaches to the financing of working capital investment levels.</p>
<p>3. analyse the short-term cash position of an entity.</p>	<p>(a) discuss measures to manage the short-term cash position of an entity.</p>

Indicative syllabus content

- Types of short-term finance including trade payables, overdrafts, short-term loans and debt factoring.
 - Types of cash investment including interest-bearing deposits, short-term treasury bills and other securities.
-
- Calculation of trade receivable, trade payable and inventory days.
 - Interpretation of the ratios either in comparison to prior periods, competitors or to the industry as a whole, taking into account the nature of the industry.
-
- Working capital cycle.
 - Policies for the management of the total level of investment in working capital – aggressive, moderate and conservative.
 - Methods of trade receivables management, including credit control procedures.
 - Methods of trade payables management and significance of trade payables as a source of finance and how this affects the relationship with suppliers.
 - Methods of inventory management, including calculations of the economic order quantity (EOQ).
-
- Financial impact of changing working capital policies.
 - Impact and risks of overtrading.
 - Identification of areas for improvement.
-
- Approaches to the financing of the investment in working capital – aggressive, moderate and conservative.
-
- Preparation of short-term cash flow forecasts.
 - Identification of surpluses or deficits from cash flow forecasts.
 - Selection of appropriate short-term solutions.
 - Principles of investing short term including maturity, return, security and liquidity.

F1 – D. FUNDAMENTALS OF BUSINESS TAXATION (25%)

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

Lead	Component
<p>1. discuss the types of taxation that typically apply to an incorporated entity and the regulatory environment for taxation.</p>	<p>(a) discuss the features of the types of indirect and direct taxation that typically apply to an incorporated entity</p> <p>(b) discuss the regulatory environment for taxation, including the distinction between tax evasion and tax avoidance.</p>
<p>2. explain the taxation issues that may apply to an incorporated entity that operates internationally.</p>	<p>(a) explain the taxation issues that may apply to an incorporated entity that operates internationally.</p>
<p>3. produce computations for corporate income tax and capital tax.</p>	<p>(a) produce corporate income tax computations from a given set of rules</p> <p>(b) produce capital tax computations from a given set of rules.</p>

Indicative syllabus content



- Definitions of direct taxation, indirect taxation, taxable person, incidence and competent jurisdiction.
 - Types of taxation – progressive, proportional and regressive.
 - Features of the following types of indirect taxation:
 - unit taxes
 - ad valorem taxes
 - excise duties
 - property and wealth taxes
 - consumption taxes
 - mechanism of value added tax in the context of an incorporated entity.
 - Features of the following types of direct taxation:
 - tax on trading income
 - capital taxes.
 - Impact of employee taxation.
-
- Sources of taxation rules such as domestic legislation, court rulings, domestic interpretations and guidelines, EU guidelines and taxation agreements between different countries.
 - Administration of taxation including the principles of record keeping, deadlines and penalties.
 - Powers of taxation authorities.
 - Distinction between tax evasion and tax avoidance and the ethical considerations faced by an entity in respect of tax avoidance.
-
- International taxation issues:
 - the concept of corporate residence and the key bases of determining residence
 - types of overseas operations: subsidiary or branch and the implications of each on taxation
 - issue of double taxation and the methods of gaining relief
 - types of foreign taxation and the distinction between withholding tax and underlying tax (calculations will not be tested)
 - transfer pricing and related, ethical and taxation issues.
-
- Distinction between accounting profit and taxable profit and the reconciliation between them. This will include (based upon a set of rules given in the examination):
 - identification and treatment of exempt income or income taxed under different rules
 - identification and treatment of disallowable expenditure
 - replacement of accounting depreciation with tax depreciation
 - calculation of tax depreciation allowances
 - calculation of corporate income tax liability
 - relief for trading losses.
-
- Principle of a capital tax computation on the sale of an asset.
 - Allowable costs.
 - Methods of relieving capital losses.
 - Concept of rollover relief.



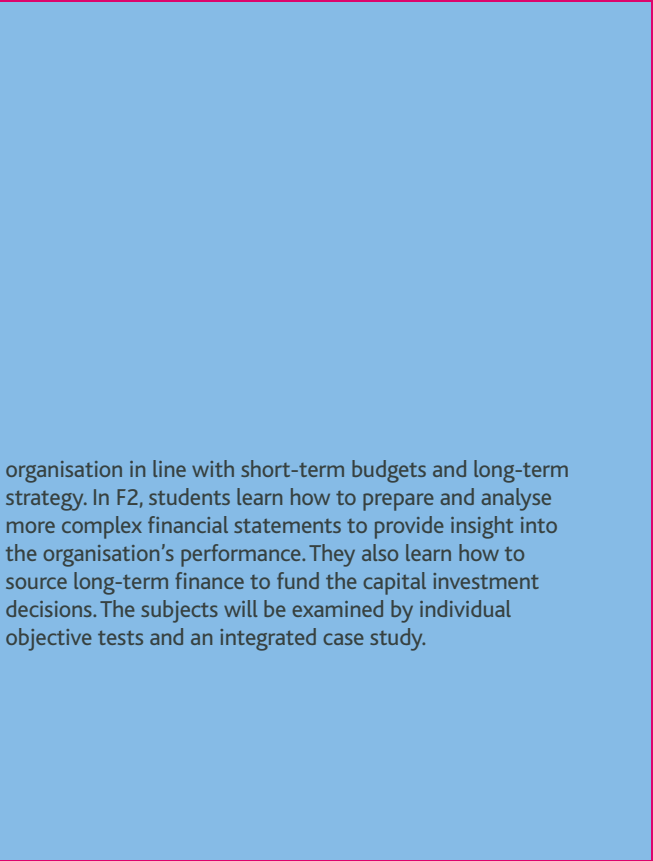
*The full syllabus
Management Level*



TO THE NEXT LEVEL



This section sets out the specific syllabus for each of the subjects at the Management Level. Together they deal with monitoring the implementation of strategy. E2 focuses on how strategy can be implemented through people, processes, projects and relationships. P2 teaches students how to use their understanding of costs to manage costs and to make long-term decisions about capital investments. It also looks at how to manage the performance of various units of the



organisation in line with short-term budgets and long-term strategy. In F2, students learn how to prepare and analyse more complex financial statements to provide insight into the organisation's performance. They also learn how to source long-term finance to fund the capital investment decisions. The subjects will be examined by individual objective tests and an integrated case study.

THE FULL SYLLABUS MANAGEMENT LEVEL

E2

PROJECT AND RELATIONSHIP MANAGEMENT

Syllabus overview

E2 emphasises a holistic, integrated approach to managing organisations, from external and internal perspectives. It builds on the understanding of organisational structuring gained from E1 and is centred on the concept of strategy and how organisational strategy can be implemented through people, projects, processes and relationships. It provides the basis for developing further insights into how to formulate and implement organisational strategy, which is covered in E3.

E2 – A. INTRODUCTION TO STRATEGIC MANAGEMENT AND ASSESSING THE GLOBAL ENVIRONMENT (30%)

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

Lead	Component
1. discuss developments in strategic management.	(a) discuss the concept of strategy and the rational/formal approach to strategy development
	(b) compare and contrast alternative approaches to strategy development
	(c) explain the approaches to achieving sustainable competitive advantage.
2. analyse the relationship between different aspects of the global business environment.	(a) distinguish between different aspects of the global business environment, including the competitive environment
	(b) discuss the approaches to competitor analysis including the collection and interpretation of trend data.

Summary of syllabus

Weight	Syllabus topic
30%	A. Introduction to strategic management and assessing the global environment
20%	B. The human aspects of the organisation
20%	C. Managing relationships
30%	D. Managing change through projects

Indicative syllabus content

<ul style="list-style-type: none"> Defining strategy and strategic management. Core areas of strategic management. 	<ul style="list-style-type: none"> Levels of strategy within organisations. Stages in the rational approach to strategy developments.
<ul style="list-style-type: none"> Intended, emergent, logical incrementalism, and political approaches. Resource-based view – resources and competencies, internal value and dynamic capabilities. 	<ul style="list-style-type: none"> Strategy development in different contexts, e.g. SMEs, public sector, not-for-profit. Strategy and structure.
<ul style="list-style-type: none"> The concept of competitive advantage. Generic competitive strategies. 	<ul style="list-style-type: none"> Value, rarity, inimitability, non-substitutability as bases of competitive advantage. Achieving sustainable competitive advantage.
<ul style="list-style-type: none"> The macro and micro environments. LoNGPEST analysis and its derivatives. Globalisation. Country and political risk factors. 	<ul style="list-style-type: none"> Emerging markets. Porter's Diamond and its use for assessing the competitive advantage of nations. Porter's Five Forces model and its use for analysing the external environment.
<ul style="list-style-type: none"> Key concepts in competitor analysis. The role of competitor analysis. Approaches to collecting competitor information. 	<ul style="list-style-type: none"> Sources, types and quality of competitor data. Analysing and interpreting competitor data. The application of Big Data to competitor analysis.

E2 – B. THE HUMAN ASPECTS OF THE ORGANISATION (20%)

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

Lead	Component
1. discuss the concepts associated with managing through people.	(a) discuss the concepts of leadership and management
	(b) discuss HRM approaches for managing and controlling individuals' performance.
2. discuss the hard and soft aspects of people and organisational performance.	(a) discuss behavioural aspects of management control
	(b) explain the importance of organisational culture.

Indicative syllabus content

- Fundamental and contemporary concepts in management.
 - The concepts of power, authority, delegation and empowerment.
 - Different approaches to leadership, including personality/traits, style, contingency/situation, transactional/transformational, distributive.
 - Leadership in different contexts.
-
- HR policies and procedures.
 - Different approaches to employee performance appraisals.
 - The contribution of coaching and mentoring in enhancing individual and organisational performance.
 - Equality and diversity practices.
 - Disciplinary and grievance procedures in resolving poor performance.
 - Dismissal and redundancy.
 - Employer and employee responsibilities in managing the work environment (e.g. health and safety).
-
- Theories of behavioural aspects of control.
 - Performance management and measurement frameworks, e.g.
 - target setting
 - management by objectives
 - the Balanced Scorecard (BSC).
 - Trust and control.
-
- Explaining the concept and importance of culture.
 - Levels of culture.
 - Influences on culture.
 - Analysing organisational culture – the cultural web framework.
 - Models for categorising culture.
 - National cultures and managing in different cultures.

E2 – C. MANAGING RELATIONSHIPS (20%)

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

Lead	Component
1. discuss the effectiveness of organisational relationships.	(a) evaluate the issues associated with building, leading and managing effective teams
	(b) discuss the effectiveness of handling relationships between the finance function and other parts of the organisation and the supply chain
	(c) discuss the effectiveness of handling relationships between the finance function and external experts and stakeholders.
2. discuss management tools and techniques in managing organisational relationships.	(a) discuss the roles of communication, negotiation, influence and persuasion in the management process
	(b) discuss approaches to managing conflict.

Indicative syllabus content

- Building effective and high-performing teams.
- Leading and managing teams.
- Factors associated with effective team work.
- Motivating team members.
- Resolving problems and conflict in teams.

- Management of relationships between the finance function and other parts of the organisation (internal).
- The concept of the Chartered Management Accountant as a business partner in creating value.
- Transaction cost theory in the context of shared service centres and outsourcing, including contractual relationship, SLAs (service level agreements), bounded rationality and co-creation with customers.

- Management of relationships with professional advisors (external) e.g. accounting, tax and legal, auditors and financial stakeholders such as shareholders and other investors to meet organisational objectives and governance responsibilities.

- The communication process, types of communication tools and their use, ways of managing communication problems.
- The importance of effective communication skills for the Chartered Management Accountant.
- The importance of non-verbal communication and feedback.
- Developing effective strategies for influence/persuasion/negotiation.
- The process of negotiation.
- Negotiation skills.

- The sources and causes of conflict in organisations.
- The different forms and types of conflict.
- Strategies for managing conflict to ensure working relationships are productive and effective.

E2 – D. MANAGING CHANGE THROUGH PROJECTS (30%)

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

Lead	Component
1. advise on important elements in the change process.	(a) discuss the concept of organisational change
	(b) recommend techniques to manage resistance to change.
2. discuss the concepts involved in managing projects.	(a) discuss the characteristics of the different phases of a project
	(b) apply tools and techniques for project managers
	(c) discuss management and leadership issues associated with projects, including the roles of key players in projects.

Indicative syllabus content

- Types of change.
- External and internal triggers for change.
- Stage model of change management.
- Principles of change management.

- Problem identification as a precursor to change.
- Reasons for resistance to change.
- Approaches to managing resistance to change.

- Definition of project attributes.
- Time, cost and quality project objectives.
- The purpose and activities associated with the key stages in the project lifecycle.
- Examples of the role of project management methodologies in project control (e.g. PRINCE2, PMI).

- Key tools for project management, including work breakdown schedule (WBS), Gantt Charts, and Network analysis.
- Managing project risk.
- PERT charts.
- Scenario planning and buffering.
- The contribution of project management software.

- Project structures, including matrix structure and their impact on project achievement.
- The role and attributes of an effective project manager.
- The role of the Chartered Management Accountant in projects.
- The role of other key players in a project.
- Managing key project stakeholders.
- The lifecycle of project teams.
- Leading and motivating project teams.

THE FULL SYLLABUS MANAGEMENT LEVEL

P2

ADVANCED MANAGEMENT ACCOUNTING

Syllabus overview

Focusing primarily on the long term, P2 builds on the insights about costs and their drivers (from P1) to provide the competencies needed to analyse, plan and manage costs to support the implementation of the organisation's strategy. It shows how to manage and control the performance of various units of the organisation in line with both short-term budgets and long-term strategy. Finally, P2 covers investment decision making and the risks associated with such decisions. It provides the basis for developing deeper understanding of various types of risk affecting the strategy and operations of organisations (covered in P3).

P2 – A. COST PLANNING AND ANALYSIS FOR COMPETITIVE ADVANTAGE (25%)

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

Lead	Component
1. evaluate techniques for analysing and managing costs for competitive advantage.	(a) evaluate activity-based management
	(b) evaluate total quality management (TQM) techniques
	(c) discuss techniques for enhancing long-term profits
	(d) apply learning curves to estimate time and cost for activities, products and services.

Summary of syllabus

Weight	Syllabus topic
25%	A. Cost planning and analysis for competitive advantage
30%	B. Control and performance management of responsibility centres
30%	C. Long-term decision making
15%	D. Management control and risk

Indicative syllabus content

- Activity-based costing to derive 'long-run' costs appropriate for use in decision making.
- Activity-based management and its use in improving the efficiency of repetitive overhead activities.
- 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.
- Direct customer profitability and distribution channel profitability.
- The impacts of just-in-time (JIT) production, the theory of constraints and total quality management on efficiency, inventory and cost.
- The benefits of JIT production, total quality management and theory of constraints and the implications of these methods for decision making in the contemporary manufacturing environment.
- Kaizen costing, continuous improvement and cost of quality reporting.
- Process re-engineering and the elimination of non-value adding activities and reduction of activity costs.
- Target costing and the determination of target costs from target prices.
- Value analysis and quality function deployment.
- The Value Chain and the management of contribution/profit generated throughout the chain.
- Life cycle costing and its implications for marketing strategies.
- Learning curves and their use in predicting product/service costs, including derivation of the learning rate and the learning index.

P2 – B. CONTROL AND PERFORMANCE MANAGEMENT OF RESPONSIBILITY CENTRES (30%)

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

Lead	Component
<p>1. discuss decision making in responsibility centres.</p>	<p>(a) discuss the information needed for decision making in different organisational structures</p> <p>(b) prepare reports to inform decisions.</p>
<p>2. discuss issues arising from the use of performance measures and budgets for control.</p>	<p>(a) prepare performance reports for the evaluation of projected and actual performance</p> <p>(b) discuss traditional and non-traditional approaches to performance measurement</p> <p>(c) discuss the criticisms and behavioural aspects of budgeting in responsibility centres.</p>
<p>3. evaluate issues arising from the division of the organisation into responsibility centres.</p>	<p>(a) discuss the likely behavioural consequences of performance measurement within an organisation</p> <p>(b) discuss transfer pricing systems</p> <p>(c) evaluate the effects of transfer prices.</p>

Indicative syllabus content

- Relevant cost information for cost centre managers: controllable and uncontrollable costs and budget flexing.
 - Relevant revenue and cost information for profit and investment centre managers: cost variability, attributable costs, controllable costs and identification of appropriate measures of profit centre 'contribution'.
 - Alternative measures of performance for responsibility centres.
- Performance reports: recognising issues of controllable/uncontrollable costs, variable/fixed costs and tracing revenues and costs to particular cost objects.
- Key metrics for the assessment of financial consequences including profitability, liquidity and asset turnover ratios, return on investment, residual income and economic value.
 - Benchmarking.
 - Analysis of reporting by dimension (e.g. segment, product, channel).
- Non-financial performance indicators.
 - Balanced Scorecards (BSC).
- 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 arguments for and against 'beyond budgeting'.
- The behavioural consequences of performance management and control in responsibility centres.
 - The behavioural consequences arising from divisional structures: internal competition and internal trading.
- The theory of transfer pricing, including perfect, imperfect and no market for the intermediate good.
 - 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 motivation of divisional management.
 - Divisional and group profitability.
 - The autonomy of individual divisions.

P2 – C. LONG-TERM DECISION MAKING (30%)

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

Lead	Component
1. evaluate information to support project appraisal.	(a) analyse information for use in long-term decision making (including consideration of tax, inflation and other factors)
	(b) discuss the financial consequences of dealing with long-run projects, in particular the importance of accounting for the 'time value of money'
	(c) evaluate investment appraisal techniques and explain their results.
2. discuss pricing strategies and their consequences.	(a) discuss pricing strategies and their consequences.

P2 – D. MANAGEMENT CONTROL AND RISK (15%)

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

Lead	Component
1. analyse information to assess its impact on long-term decisions.	(a) apply sensitivity analysis
	(b) analyse risk and uncertainty.
2. discuss management's responsibilities with regard to risk.	(a) discuss risk management
	(b) discuss the risks associated with the collection and use of information.

Indicative syllabus content

- Relevant cash flows taking account of tax, inflation and other factors, and the use of perpetuities to derive 'final' project value where appropriate.
- The identification and integration of non-financial factors in long-term decisions.
- The process of investment decision making, including origination of proposals, creation of capital budgets, go/no go decisions on individual projects (where judgements on qualitative issues interact with financial analysis).
- Discounting, including the use of annuities in comparing projects with unequal lives and the profitability index in capital rationing situations.
- Capital investment real options (i.e. to make follow-on investment, abandon or wait).
- The strengths and weaknesses of: payback, discounted payback, accounting rate of return (ARR), net present value (NPV), internal rate of return (IRR) and modified internal rate of return (based on a project's terminal value).
- Prioritisation of projects that are mutually exclusive, and/or are subject to single-period capital rationing, and/or have unequal lives.
- 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.

Indicative syllabus content

- Sensitivity analysis to identify the input variables that most affect the chosen measure of project worth (payback, ARR, NPV or IRR).
- Quantification of risk.
- Probabilistic models and interpretation of distribution of project outcomes.
- Decision trees.
- Bayes Theorem.
- Decision making in conditions of uncertainty.
- Upside and downside risk.
- The TARA framework – transfer, avoid, reduce, accept.
- Business risks.
- Ethical implications and the public interest.
- Costs and benefits associated with investing in information systems.
- Big Data.

THE FULL SYLLABUS MANAGEMENT LEVEL

F2

ADVANCED FINANCIAL REPORTING

Syllabus overview

F2 builds on the competencies gained from F1. It covers how to effectively source the long-term finance required to fund the operations of organisations, particularly their capital investments. It also deepens the coverage of financial reporting to more complex aspects of group accounting and analyses the rules governing the recognition and measurement of various elements of the financial statements. Finally it shows how to analyse financial statements to provide insights about the financial performance and position of the organisation over time and in comparison with others.

F2 – A. SOURCES OF LONG-TERM FINANCE (15%)

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

Lead	Component
1. discuss types and sources of long-term finance for an incorporated entity.	(a) discuss the characteristics of different types of long-term debt and equity finance
	(b) discuss the markets for and methods of raising long-term finance.
2. calculate a weighted average cost of capital (WACC) for an incorporated entity.	(a) calculate the cost of equity for an incorporated entity using the dividend valuation model
	(b) calculate the post-tax cost of debt for an incorporated entity
	(c) calculate the weighted average cost of capital (WACC) for an incorporated entity.

Summary of syllabus

Weight	Syllabus topic
15%	A. Sources of long-term finance
60%	B. Financial reporting
25%	C. Analysis of financial performance and position

Indicative syllabus content

- Characteristics of ordinary and preference shares and different types of long-term debt.
- Operation of the stock and bond markets.
- Share and bond issues.
- Role of advisors.
- Cost of equity using the dividend valuation model, with and without growth in dividends.
- Post-tax cost of bank borrowings.
- Yield to maturity of bonds and post-tax cost of bonds.
- Post-tax cost of convertible bonds up to and including conversion.
- WACC and its use.

F2 – B. FINANCIAL REPORTING (60%)

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

Lead	Component
1. produce consolidated primary financial statements, incorporating accounting transactions and adjustments, in accordance with relevant international accounting standards, in an ethical manner.	(a) produce primary financial statements for a group of entities in accordance with relevant international accounting standards
	(b) discuss the need for and nature of disclosure of interests in other entities
	(c) discuss the provisions of relevant international accounting standards in respect of the recognition and measurement of revenue, leases, financial instruments, provisions, share-based payments and deferred taxation
	(d) produce the accounting entries, in accordance with relevant international accounting standards
	(e) discuss the ethical selection and adoption of relevant accounting policies and accounting estimates.
2. demonstrate the impact on the preparation of the consolidated financial statements of certain complex group scenarios.	(a) demonstrate the impact on the group financial statements of: <ol style="list-style-type: none"> i. acquiring additional shareholdings in the period ii. disposing of all or part of a shareholding in the period
	(b) demonstrate the impact on the group financial statements of consolidating a foreign subsidiary
	(c) demonstrate the impact on the group financial statements of acquiring indirect control of a subsidiary.
3. discuss the need for and nature of disclosure of transactions between related parties.	(a) discuss the need for and nature of disclosure of transactions between related parties.
4. produce the disclosures for earnings per share.	(a) produce the disclosures for earnings per share.

Indicative syllabus content

- Production of:
 - consolidated statement of comprehensive income
 - consolidated statement of financial position
 - consolidated statement of changes in equity
 - consolidated statement of cash flowsincluding the adoption of both full consolidation and the principles of equity accounting, in accordance with the provisions of IAS 1, IAS 27, IAS 28, IFRS 3, IFRS 10 and IFRS 11.
- The need for and nature of disclosure of interests in other entities, in accordance with IFRS 12.
- The need for and nature of disclosures of contingent assets and liabilities, in accordance with IAS 37.
- Recognition and measurement of:
 - revenue, in accordance with IAS 18 and the provisions of the framework
 - operating and finance leases, in accordance with IAS 17
 - financial instruments, excluding hedge accounting, in accordance with IAS 32 and IFRS 9 (or IAS 39 before effective date of IFRS 9)
 - provisions, in accordance with IAS 37
 - share-based payments, in accordance with IFRS 2
 - provision for deferred taxation, in accordance with IAS 12
 - construction contracts in accordance with IAS 11.
- Ethics in financial reporting.
- Additional acquisition in the period resulting in a simple investment becoming a controlling interest, in accordance with the provisions of IFRS 3.
- Calculation of the gain/loss on the disposal of a controlling interest in a subsidiary in the year, in accordance with the provisions of IFRS 3.
- Adjustment to parent's equity resulting from acquiring or disposing of shares in a subsidiary, in accordance with the provisions of IFRS 3.
- Provisions of IAS 21 in respect of consolidating a foreign subsidiary and the calculation of the foreign exchange gains and losses in the period.
- Impact of indirect effective holdings on the preparation of group financial statements.
- The need for and nature of disclosure of related party transactions, in accordance with IAS 24.
- Calculate basic and diluted earnings per share, in accordance with IAS 33.

F2 – C. ANALYSIS OF FINANCIAL PERFORMANCE AND POSITION (25%)

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

Lead	Component
<p>1. evaluate the financial performance, financial position and financial adaptability of an incorporated entity.</p>	<p>(a) calculate ratios relevant for the assessment of an entity's profitability, financial performance, financial position and financial adaptability</p> <p>(b) evaluate the financial performance, financial position and financial adaptability of an entity based on the information contained in the financial statements provided</p> <p>(c) advise on action that could be taken to improve an entity's financial performance and financial position.</p>
<p>2. discuss the limitations of ratio analysis.</p>	<p>(a) discuss the limitations of ratio analysis based on financial statements that can be caused by internal and external factors.</p>

Indicative syllabus content

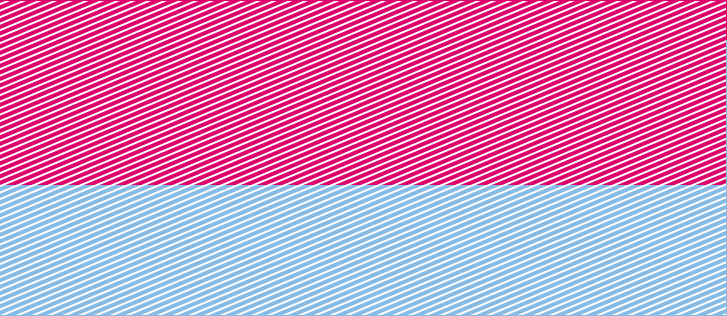
- Ratios for profitability, performance, efficiency, activity, liquidity and gearing.
- Interpretation of the primary financial statements and any additional information provided.
- Action that could be realistically taken by the entity's management to improve financial performance and strengthen financial position, taking into account ethical considerations and internal and external constraints.
- Inter-segment comparisons.
- International comparisons.



*The full syllabus
Strategic Level*



TO THE NEXT LEVEL



This section sets out the specific content for each of the subjects at the Strategic Level. The focus is on making strategic decisions for the long term. E3 teaches students how to formulate strategy and provide the overall context, for its effective implementation. In P3, students learn how to identify, classify, evaluate and manage the risks that could

impede the implementation of strategy. F3 covers how to evaluate and source the financing required to implement strategy and considers the sources from which such financing could be obtained. The subjects will be examined by individual objective tests and an integrated case study.

THE FULL SYLLABUS

STRATEGIC LEVEL

E3

STRATEGIC MANAGEMENT

Syllabus overview

E3 builds on the insights gained from E1 and E2 about how organisations effectively implement their strategies by aligning their structures, people, process, projects and relationships. E3 aims to develop the skills and abilities of the strategic leaders of organisations, enabling them to create the vision and direction for the growth and long-term sustainable success of the organisation. This involves successfully managing and leading change within the process of strategy formulation and implementation.

E3 – A. INTERACTING WITH THE ORGANISATION'S ENVIRONMENT (20%)

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

Lead

Component

1. evaluate the influence of key external factors on an organisation's strategy.

(a) evaluate the influence and impact of the external environment on an organisation and its strategy

(b) recommend approaches to business/government relations and to relations with society

(c) discuss the drivers of external demands for environmental sustainability and corporate social responsibility and the organisation's response

(d) recommend how to build and manage strategic relationships with stakeholders (including suppliers, customers, owners, government and the wider society).

2. evaluate ethical issues arising from the organisation's interaction with its environment.

(a) evaluate ethical issues and their resolution within a range of organisational contexts.

Summary of syllabus

Weight	Syllabus topic
20%	A. Interacting with the organisation's environment
30%	B. Evaluating strategic position and strategic options
20%	C. Leading change
15%	D. Implementing strategy
15%	E. The role of information systems in organisational strategy

Indicative syllabus content

- Different organisation environments (including profit and not-for-profit organisations).
- The key environmental drivers of organisational change and their prioritisation.
Note: The emphasis should be on the evaluation and prioritisation of the environmental drivers specific to the organisation and not upon the production of a generic PEST analysis.
- Non-market strategy and forms of corporate political activity.
- External demands for sustainability and responsible business practices and ways to respond to these.
- Stakeholder management (stakeholders to include internal stakeholders, government and regulatory agencies, non-governmental organisations and civil society, industry associations, customers and suppliers).
- Building strategic alliances with stakeholders.
- The customer portfolio: customer analysis and behaviour, including the marketing audit and customer profitability analysis as well as customer retention, relationship management and loyalty.
- Strategic supply chain management.
- Implications of interactions with the external environment for Chartered Management Accountants.
- Business ethics and the CIMA Code of Ethics for Professional Accountants (Parts A and B) in the context of the implementation of strategic plans.

E3 – B. EVALUATING STRATEGIC POSITION AND STRATEGIC OPTIONS (30%)

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

Lead	Component
1. evaluate the process of strategy formulation.	(a) evaluate the processes of strategic analysis and strategic options generation
	(b) recommend strategic options
	(c) discuss the role and responsibilities of directors in the strategy formulation and implementation process.
2. evaluate tools and techniques used in strategy formulation.	(a) evaluate strategic analysis tools
	(b) recommend how to manage the product portfolio of an organisation to support the organisation's strategic goals
	(c) produce an organisation's Value Chain.

E3 – C. LEADING CHANGE (20%)

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

Lead	Component
1. advise on the important aspects of organisational change.	(a) evaluate the key impacts of organisational change on organisations
	(b) evaluate the role of leadership in managing the change process and building and managing effective teams.
2. evaluate tools and methods for successfully implementing a change programme.	(a) evaluate tools, techniques and strategies for managing and leading the change process.
3. recommend change leadership processes in support of strategy implementation.	(a) evaluate the role of the change leader in supporting strategy implementation
	(b) recommend appropriate leadership styles within a range of organisational change contexts.

Indicative syllabus content

- Vision and mission statements and their use in orientating the organisation's strategy.
- The process of strategy formulation.
- Strategic options generation (e.g. using Ansoff's product/market matrix and Porter's generic strategies).
- Scenario planning and long-range planning as tools in strategic decision making.
- Value drivers (including intangibles) of business and the data needed to describe and measure them.
- Game theory approaches to strategic planning and decision making. *Note: Complex numerical questions will not be set.*
- Real Options as a tool for strategic analysis. *Note: Complex numerical questions will not be set.*
- Acquisition, divestment, rationalisation and relocation strategies in the context of strategic planning.
- The identification and evaluation of strategic options, including the application of the suitability, acceptability and feasibility framework.
- The role and responsibilities of the board of directors and senior managers in making strategic decisions (including issues of due diligence, fiduciary responsibilities and corporate social responsibility).
- The role of the Chartered Management Accountant in the strategy development process.
- Audit of key resources and capabilities needed for strategy implementation.
- Forecasting and the various techniques used: trend analysis, system modelling, in-depth consultation with experts (e.g. the Delphi method).
- Management of the product portfolio.
- Value Chain Analysis.

Indicative syllabus content

- The impact of change on organisational culture (including the cultural web and McKinsey's 7s model).
- Team building, collaboration, group formation and shared knowledge and accountability.
- The importance of managing critical periods of adaptive, evolutionary, reconstructive and revolutionary change.
- Tools, techniques and models associated with organisational change.
- Approaches, styles and strategies of change management.
- Change leadership and its role in the successful implementation of strategy.
- The role of the change leader in effective strategic communication.
- The advantages and disadvantages of management styles on the successful implementation of strategy.
- Executive mentoring and coaching to promote effective change leadership.

E3 – D. IMPLEMENTING STRATEGY (15%)

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

Lead	Component
1. evaluate the tools and techniques of strategy implementation.	(a) evaluate alternative models of strategic performance measurement in a range of business contexts
	(b) recommend solutions to problems in strategic performance measurement

E3 – E. THE ROLE OF INFORMATION SYSTEMS IN ORGANISATIONAL STRATEGY (15%)

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

Lead	Component
1. evaluate the information systems requirements for successful strategic implementation.	(a) evaluate the information systems required to sustain the organisation
	(b) advise managers on the development of strategies for knowledge management.
2. evaluate the opportunities for the use of IT and IS for the organisation, including Big Data.	(a) evaluate the impact of IT/IS on an organisation and its strategy
	(b) evaluate the strategic and competitive impact of information systems, including the potential contribution of Big Data.

Indicative syllabus content

- Alternative strategic business unit (SBU) performance measures, including shareholder value added (SVA) and economic value added (EVA).
- Alternative models of measuring strategic performance (e.g. the Balanced Scorecard (BSC) and the performance pyramid as strategic evaluation tools).
- Setting appropriate strategic targets through the use of a range of non-financial measures of strategic performance and their interaction with financial ones.
- Evaluation of strategic targets through the development of critical success factors (CSFs).
- Linking CSFs to Key Performance Indicators (KPIs) and corporate strategy, and their use as a basis for defining an organisation's information needs.
- Effective communication of strategic performance targets, including the need to drive strategic performance through stretch targets and promotion of exceptional performance.
- The role of the Chartered Management Accountant in the process of strategic performance evaluation.

Indicative syllabus content

- The purpose and contents of information systems strategies.
- The classifications of knowledge.
- Learning organisations.
- Knowledge management systems and knowledge-based organisations.
- The need for information systems strategy to be complementary to the corporate and individual business unit strategies.
- The impact of IT, including the internet, on an organisation (utilising frameworks such as Porter's Five Forces and the Value Chain).
- Competing through exploiting information, rather than technology (e.g. use of databases to identify potential customers or market segments, and the collection, analysis, storage and management of data).
- Aligning information systems with business strategy (e.g. strategic importance of information systems; information systems for competitive advantage; information systems for competitive necessity).
- Contemporary developments in the commercial use of the internet (e.g. e-business, virtual organisations and Web 2.0, Big Data, social and other forms of digital marketing).
- The role of Big Data and Digitisation in knowledge-based organisations.

THE FULL SYLLABUS

STRATEGIC LEVEL

P3

RISK MANAGEMENT Syllabus overview

P3 shows how to identify, evaluate and manage various risks that could adversely affect the implementation of the organisation's strategy. It provides the competencies required to analyse, evaluate and apply the techniques, processes and internal control systems required to manage risk. This insight is then used to manage the risks associated with both cash flows and capital investment decisions – two important areas of organisational life for which the finance function is responsible.

P3 – A. IDENTIFICATION, CLASSIFICATION AND EVALUATION OF RISK (20%)

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

Lead	Component
1. evaluate the types of risk facing an organisation and recommend appropriate responses.	(a) identify the types of risk facing an organisation
	(b) evaluate the organisation's ability to bear identified risks
	(c) recommend responses to identified risks
2. evaluate senior management's responsibility for the implementation of risk management strategies and internal controls.	(a) recommend techniques that will enable the board to discharge its responsibilities with respect to managing risks
	(b) advise the board on its responsibilities for reporting risks to shareholders and other stakeholders.
3. evaluate the ethical impact of risk.	(a) evaluate ethical, social and environmental issues arising from risk management.

Summary of syllabus

Weight	Syllabus topic
20%	A. Identification, classification and evaluation of risk
20%	B. Responses to strategic risk
20%	C. Internal controls to manage risk
20%	D. Managing risks associated with cash flows
20%	E. Managing risks associated with capital investment decisions

Indicative syllabus content

- Upside and downside risks arising from internal and external sources and from different managerial decisions.
- Risks arising from international operations, such as cultural differences and differences between legal systems
Note: No specific real country will be tested.
- Strategic and operational risks.

- Quantification of risk exposures (impact if an adverse event occurs) and their expected values, taking account of likelihood.
- Risk map representation of risk exposures as a basis for reporting and analysing risks.

- Enterprise Risk Management and its components.
- Risk mitigation including TARA – transfer, avoid, reduce, accept.
- Gross and net risks.
- Assurance mapping and similar techniques for describing risks and their associated responses.

- The control environment.
- Internal control.
- Risk register.

- Risk reports and stakeholder responses.

- The identification of ethical dilemmas associated with risk management.
- Reputational risks associated with social and environmental impacts.

P3 – B. RESPONSES TO STRATEGIC RISK (20%)

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

Lead	Component
1. evaluate the tools and processes required for strategy implementation.	(a) recommend appropriate measures for the strategic control and direction of various types of organisations
	(b) recommend solutions for the risks of dysfunctional behaviour arising from the associated models of performance measurement
	(c) advise managers of the risks in the development of strategies for information systems that support the organisation's strategic requirements.
2. evaluate ethical issues facing an organisation and its employees.	(a) evaluate the risks of unethical behaviour.
3. evaluate the risks associated with corporate governance.	(a) evaluate the risks associated with poor governance structures.

Indicative syllabus content

- Business unit performance and appraisal, including transfer pricing and taxation, reward systems and incentives.
 - Non-financial measures and their interaction with financial measures.
 - Risks of performance measurement, including the Balanced Scorecard (BSC).
 - Lean systems.
 - Cost of quality.
 - Big Data as a strategic resource.
-
- Dysfunctional behaviour associated with measures of control and direction.
-
- The purpose and contents of information systems strategies, and the need for strategy complementary to the corporate and individual business strategies.
-
- Ethical issues identified in the CIMA Code of Ethics for Professional Accountants.
 - Application of the CIMA Code of Ethics for Professional Accountants.
 - The board's responsibilities for the management of stakeholders' interests.
-
- The separation of the roles of CEO and chairman.
 - The role of non-executive directors.
 - The roles of audit committee, remuneration committee, risk committee and nominations committee.
 - Directors' remuneration.
 - The agency implications of salaries, bonuses, performance-related pay, executive share options and benefits in kind.

P3 – C. INTERNAL CONTROLS TO MANAGE RISK (20%)

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

Lead	Component
1. evaluate control systems for organisational activities and resources.	(a) evaluate the appropriateness of control systems for the management of an organisation.
2. evaluate risk management strategies and internal controls.	(a) evaluate the essential features of internal control systems for identifying, assessing and managing risks.
3. evaluate the purposes and process of audit in the context of internal control systems.	(a) evaluate the effective planning and management of internal audit and internal audit investigations.

Indicative syllabus content

- Application of control systems and related theory to the design of management accounting control systems and information systems in general.
- Control systems within functional areas of a business including HR, sales, purchases, treasury, distribution, IT.
- Identification of appropriate responsibility and control centres within the organisation.
- Performance target setting.
- Performance appraisal and feedback.
- Cost of quality applied to the management accounting function and 'getting things right first time'.
- Responses to risks in control systems for management.

- Minimising the risk of fraud: fraud policy statements, effective recruitment policies and good internal controls, such as approval procedures and separation of functions.
- The risk manager role as distinct from that of internal auditor.
- Purposes of internal control: the achievement of an entity's objectives, effectiveness and efficiency of operations.
- Identifying and evaluating control weaknesses.
- Identifying and evaluating compliance failures.
- Operational features of internal control systems, including embedding such systems in a company's operations, responsiveness to evolving risks and timely reporting to management.
- The pervasive nature of internal control and the need for employee training.
- Costs and benefits of maintaining the internal control system.
- Disaster recovery.

- Forms of internal audit: compliance audit, fraud investigation, value for money audit/management audit, social and environmental audit.
- Operation of internal audit, the assessment of audit risk and the process of analytical review, including different types of benchmarking, their use and limitations.
- Effective internal audit: independence, staffing and resourcing, organisational remit.
- The preparation and interpretation of the internal audit report.

P3 – D. MANAGING RISKS ASSOCIATED WITH CASH FLOWS (20%)

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

Lead	Component
1. evaluate financial risks facing an organisation.	(a) evaluate financial risks facing an organisation.
2. evaluate alternative risk management tools.	(a) advise on the effects of economic factors that affect future cash flows from international operations
	(b) evaluate appropriate methods for the identification and management of financial risks associated with international operations
	(c) evaluate appropriate methods for the identification and management of financial risks associated with debt finance.

P3 – E. MANAGING RISKS ASSOCIATED WITH CAPITAL INVESTMENT DECISIONS (20%)

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

Lead	Component
1. evaluate the risks arising from changes in the environment for capital investment appraisal.	(a) evaluate investment projects
	(b) evaluate conflicts that may arise from capital investment decisions
	(c) evaluate the outcomes of projects post implementation and post completion.

Indicative syllabus content

- Sources of financial risk associated with international operations.
- Transaction, translation, economic and political risk.
- Quantification of risk exposures, their sensitivities to changes in external conditions and their expected values.
- Exposure to interest rate risks.

- Exchange rate theory and the impact of differential inflation rates on forecast exchange rates.
- Theory and forecasting of exchange rates (e.g. interest rate parity, purchasing power parity and the Fisher effect).
- Value at risk.

- Minimising political risk.
- Responses to economic transaction and translation risks.
- Operation and features of the more common instruments for managing currency risk: swaps, forward contracts, money market hedges, futures and options. *Note: The Black Scholes option pricing model will not be tested numerically. However, an understanding of the variables which will influence the value of an option will be assumed.*
- Techniques for combining options in order to achieve a specific risk profile: caps, collars and floors.
- Internal hedging techniques.

- Operation and features of the more common instruments for managing interest rate risk: swaps, forward rate agreements, futures and options.

Indicative syllabus content

- Cost of capital and risk.
- Recognising risk using the certainty equivalent method (when given a risk free rate and certainty equivalent values).
- Adjusted present value.
Note: The two step method may be tested for debt introduced permanently and debt in place for the duration of the project.

- Managing conflicts between different stakeholder groups (profit maximisation versus wealth maximisation).
- Managing conflicts arising from performance indicators.

- Monitoring the implementation of plans.
- Post completion audit.

THE FULL SYLLABUS

STRATEGIC LEVEL

F3

FINANCIAL STRATEGY

Syllabus overview

F3 focuses on the formulation and implementation of financial strategy to support the overall strategy of the organisation. Using insights gained from F1 and F2, it provides the competencies to evaluate the financing requirements of organisations and the relative merits of alternative sources of finance to meet these requirements. Finally, it develops the competencies required to value investment opportunities including the valuation of corporate entities for mergers, acquisitions and divestments.

F3 – A. FORMULATION OF FINANCIAL STRATEGY (25%)

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

Lead	Component
1. evaluate strategic financial and non-financial objectives of different types of entities.	(a) advise on the overall strategic financial and non-financial objectives of different types of entities
	(b) evaluate financial objectives of for-profit entities
	(c) advise on the use of sustainability and integrated reporting to inform stakeholders of relevant information concerning the interaction of a business with society and the natural environment.
2. evaluate strategic financial management policy decisions.	(a) evaluate the interrelationship between investment, financing and dividend decisions for an incorporated entity
	(b) advise on the development of financial strategy for an entity taking into account taxation and other external influences
	(c) evaluate the impact of the adoption of hedge accounting and disclosure of financial risk on financial statements and stakeholder assessment.

Summary of syllabus

Weight	Syllabus topic
25%	A. Formulation of financial strategy
35%	B. Financing and dividend decisions
40%	C. Corporate finance

Indicative syllabus content

- Overall strategic financial objectives (e.g. value for money, maximising shareholder wealth, providing a surplus) of different types of entities (e.g. incorporated, unincorporated, quoted, unquoted, private sector, public sector, for-profit and not-for-profit).
- Financial objectives (e.g. earnings growth, dividend growth, gearing) and assessment of attainment.
- Limitations of financial statements for incorporated entities, prepared in accordance with International Accounting Standards (IAS), to reflect the value and stewardship of the non-financial capital base.
- Investment, financing and dividend decisions and the interrelationship between them in meeting the cash needs of the entity.
- Sensitivity of forecast financial statements and future cash position to investment, financing and dividend decisions.
- Lenders' assessment of creditworthiness (e.g. business plans, liquidity ratios, cash forecasts, credit rating, quality of management).
- Financial strategy in the context of regulatory requirements (e.g. price and service controls exercised by industry regulators).
- The accounting treatment of hedge accounting—cash flow, fair value and net investment— IFRS 9 (or IAS 39, before effective date for IFRS 9).
- Impact of adoption of hedge accounting on financial statements and on stakeholder assessment.
- Non-financial objectives (e.g. human, intellectual, natural, and social and relationship).
- Financial strategy in the context of international operations.
- Sensitivity of the attainment of financial objectives to changes in underlying economic (e.g. interest rates, exchange rates, inflation) and business variables (e.g. margins, volumes).
- Principles and scope of reporting social and environmental issues (e.g. Global Reporting Initiative's Sustainability Reporting Framework and International Integrated Reporting Council guidance).
- Consideration of the interests of shareholders and other stakeholders in investment, financing and dividend decisions (e.g. impact on investor and lender ratios, compliance with debt covenants and attainment of financial objectives).
- Determine financing requirements and cash available for payment of dividends based on the overall consideration of the forecast future cash flows arising from investment decisions, business strategy and forecast business and economic variables.
- Consideration of taxation regulations (domestic and international) in setting financial strategy.
- Disclosure of financial risk including policies for managing such risk (*IFRS 7 Financial Instruments: Disclosures*).

F3 – B. FINANCING AND DIVIDEND DECISIONS (35%)

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

Lead	Component
1. evaluate the financing requirements of an entity and recommend a strategy for meeting those requirements.	(a) evaluate the impact of changes in capital structure for an incorporated entity on shareholders and other stakeholders
	(b) evaluate and compare alternative methods of raising long-term debt finance
	(c) evaluate and compare alternative methods of raising equity finance.
2. evaluate dividend policies for an incorporated entity that meet the needs and expectations of shareholders.	(a) evaluate alternatives to cash dividends and their impact on shareholder wealth and entity performance measures
	(b) recommend appropriate dividend policies, including consideration of shareholder expectations and the cash needs of the entity.

Indicative syllabus content

- Capital structure theories (traditional theory, Modigliani and Miller's (MM) theories with and without tax and practical considerations and calculations using MM formulae).
 - Calculation of cost of equity or weighted average cost of capital (WACC) to reflect a change in capital structure.
 - Modelling impact of choice of capital structure on financial statements and key performance measures (e.g. ratios of interest to investors and lenders and compliance with debt covenants).
 - Structuring the debt/equity profile of group companies, including tax implications and thin capitalisation rules.
- Criteria for selecting appropriate debt instruments (e.g. bank borrowings, bonds, convertible bonds, commercial paper).
 - Target debt profile (e.g. interest, currency and maturity profile) to manage interest, currency and refinancing risk.
 - Use of cross-currency swaps and interest rate swaps to change the currency or interest rate profile of debt.
 - Tax considerations in the selection of debt instruments.
 - Procedures for issuing debt securities (private placement and capital market issues, role of advisers and underwriters).
 - Debt covenants (e.g. interest cover, net debt/EBITDA, debt/debt and equity).
 - The lease or buy decision (for both operating and finance leases).
- Methods of flotation and implications for the management of the entity and for its stakeholders.
 - Use of rights issues, including choice of discount rate, impact on shareholder wealth and calculation of the theoretical ex-rights price (TERP) and yield-adjusted TERP.
- Impact of scrip dividends on shareholder value and entity value/financial statements/performance measures.
 - Impact of share repurchase programmes on shareholder value and entity value/financial statements/performance measures.
- Implications for shareholder value of alternative dividend policies including MM theory of dividend irrelevancy.
 - Development of appropriate dividend policy, taking into account the interests of shareholders and the cash needs of the entity.

F3 – C. CORPORATE FINANCE (40%)

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

Lead	Component
1. evaluate opportunities for acquisition, merger and divestment.	(a) evaluate the financial and strategic implications of proposals for an acquisition, merger or divestment, including taxation implications.
2. evaluate the value of entities.	(a) calculate the value of a whole entity (quoted or unquoted), a subsidiary entity or division using a range of methods including taxation (b) evaluate the validity of the valuation methods used and the results obtained in the context of a given scenario.
3. evaluate pricing issues and post-transaction issues.	(a) evaluate alternative pricing structures and bid process including taxation implications (b) evaluate post-transaction issues.

Indicative syllabus content

- Recognition of the interests of different stakeholder groups.
 - Reasons for and against acquisitions, mergers and divestments (e.g. strategic position, synergistic benefits, Big Data opportunities, risks and tax implications).
 - Taxation implications (group loss relief, differences in taxation rates, withholding tax, double tax treaties).
 - Process and implications of a management buy-out, including potential conflicts of interest.
 - Role/function/implications of acquisition by private equity or venture capitalist.
 - Role and scope of competition authorities in relation to mergers and acquisitions.
-
- Asset valuation (e.g. historic cost, replacement cost and realisable value).
 - Forms of intangible asset (including intellectual property rights, brands etc) and methods of valuation.
 - Share prices (quoted on stock market or private sale for non-quoted entities).
 - Earnings valuation (e.g. price/earnings multiples and earnings yield).
 - Dividend valuation (e.g. dividend growth model, including estimating growth from past or forecast figures and including non-constant growth assumptions).
 - Discounted free cash flow valuation (including taxation, risk-adjusted discount rate, foreign currency cash flows and sensitivity analysis).
 - Ideas of diversifiable risk (unsystematic risk) and systematic risk.
 - Capital asset pricing model (CAPM), including the meaning and derivation of the component, and the ability to gear and un-gear betas.
 - Calculation of an appropriate cost of capital for use in discounted cash flow analysis (e.g. cost of equity or WACC) by reference to the nature of the transaction (e.g. division or an entire entity), including use of CAPM, dividend valuation model and MM WACC formula.
 - Efficient market hypothesis and its relevance for the valuation of quoted entities.
 - Impact of government incentives on entity value (e.g. capital or revenue grants).
-
- Strengths and weaknesses of each valuation method.
 - Validity of the results for use in decision making according to the nature of the target entity (e.g. a division, a whole entity, quoted or unquoted).
-
- Forms of consideration and terms for acquisitions (e.g. cash, shares, convertibles and earn-out arrangements), and their impact on shareholders, including taxation impact.
 - Treatment of target entity debt (settlement, refinancing).
 - Methods/implications of financing a cash offer and refinancing target entity debt.
 - Bid negotiation (e.g. managing a hostile bid) including agency issues.
-
- Potential post-transaction value for both acquirer and seller (e.g. taking into account synergistic benefits, forecast performance and market response).
 - Integration of management/systems and effective realisation of synergistic benefits.
 - Types of exit strategies and their implications.

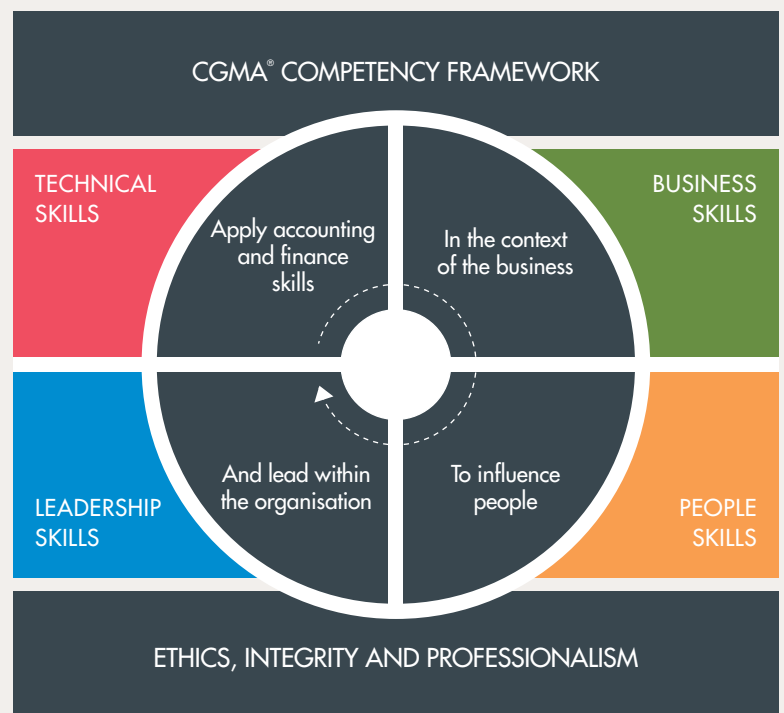
LINKING THE CGMA COMPETENCY FRAMEWORK FRAMEWORK TO THE SYLLABUS AND ASSESSMENT

CIMA, in consultation with the AICPA, developed the CGMA Competency Framework which details the skills, abilities and competencies that finance professionals need to help drive the success of their organisations. This competency framework is based on comprehensive research with finance professionals and employers across the globe.

The research shows that, though essential, the emphasis is shifting from the production of good accounting information to the application of financial disciplines in the management of a business. Having the technical skills relevant to each service area will not suffice. These skills have to be integrated, and applied in the context of an organisation's business, with finance professionals working alongside or leading others.

So, in addition to accounting and analytical skills, finance professionals must also have an understanding of the organisation, its business model, its strategic context and its competitive position. They also need the people and leadership skills necessary to ensure that the accounts, information, analysis and insights which they can supply to management are applied effectively.

The pillars of the CIMA syllabus have been developed to ensure that Chartered Management Accountants have the technical accounting and finance skills expected of a professionally qualified accountant supporting the management of a business. These range from record keeping to advanced financial reporting, developing a financial strategy and finance transformation. It also enables them to have a good understanding of how businesses operate, how they are managed and how strategy is formulated and executed. Furthermore, they learn the analytical skills required to monitor and help improve performance and manage risk.



CIMA research findings show that the competencies operate at four levels of proficiency. They are:

- Foundational (staff/entry level)
- Intermediate (supervisor/manager)
- Advanced (senior manager)
- Expert (executive).

Entry level roles require more focus on technical skills, and less focus on people skills and leadership skills. In more senior roles, there is less emphasis placed on the technical skills, and more on business, people and leadership skills.

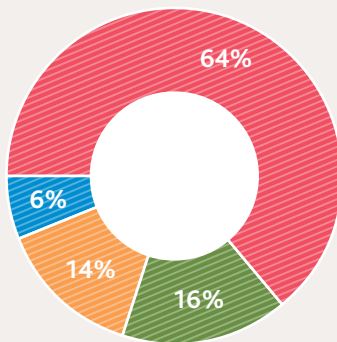
The structure of the CIMA syllabus has been developed to match this competency mix at different levels within organisations.

Each level of the CIMA syllabus can be linked to a proficiency level of the Competency Framework, although they are not restricted entirely to that level. The Operational Level primarily maps to the Foundational Level of proficiency; the Management Level to the Intermediate and the Strategic Level to the Advanced level of Proficiency. The CIMA syllabus ends at this point, but support provided by continuing professional development (CPD) products and services allows members to further develop their skills.

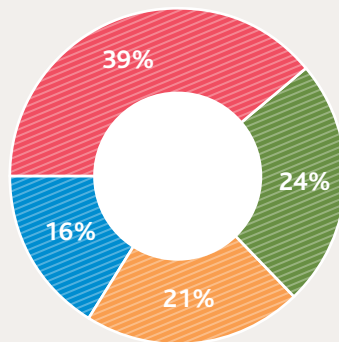
Links between the various competencies at different levels of the CIMA syllabus can be seen in detail on pages 92-94.

CGMA COMPETENCY FRAMEWORK LEVELS OF PROFICIENCY

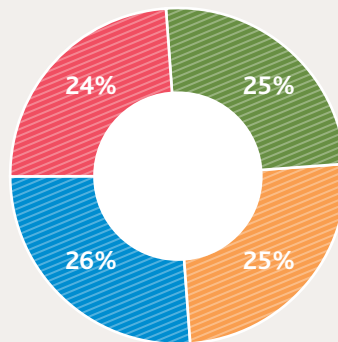
**FOUNDATIONAL
(STAFF/ENTRY LEVEL)**
OPERATIONAL LEVEL



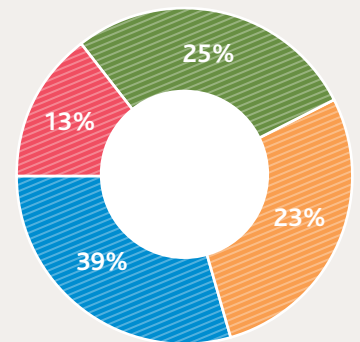
**INTERMEDIATE
(SUPERVISOR/MANAGER)**
MANAGEMENT LEVEL



**ADVANCED
(SENIOR MANAGER)**
STRATEGIC LEVEL



**EXPERT
(EXECUTIVE)**
POST-QUALIFICATION



- Technical skills
- Business skills
- People skills
- Leadership skills

Linking the CGMA Competency Framework to the 2015 syllabus

The syllabus addresses the accounting and finance competencies by setting them out as learning outcomes. The assessment process ensures that management accountants can apply their technical knowledge in a business context and work with others to improve the business' performance. This provides a firm foundation for lifelong learning and career progression to a broad range of roles in finance or other areas of the business.

Employers can be confident that a Chartered Management Accountant will have the competencies they require. They also have the assurance that, as members of a professional

body, management accountants abide by a code of ethics and undertake lifelong learning including continuing professional development.

In the following table, you can see how specific areas of the CGMA Competency Framework directly link to areas of the CIMA Professional Qualification, 2015 Syllabus. For instance the topic of Cost Management at the Foundational level maps to syllabus subject P1, Topic A and learning outcome 1 (P1A1).

LINKS TO COMPONENT LEARNING OUTCOMES ACROSS THE CIMA SYLLABUS

Topic area	Focus within topic area	Levels of the Competency Framework							
		Foundational	Intermediate	Advanced	Expert				
Technical skills									
Financial Accounting and Reporting	Professional Accounting Standards	F1A1	E1B1	F2B1	F2C1				
		F1B1			F3A1				
	Transactional Accounting and closing Processes	F1B2		F2C1	F2C1				
		F1B1		F1B2	F2B1	F2B1			
Financial Reporting and compliance	F1B2		F2B1						
	Cost Accounting and Management	Cost Accounting	P1A1	P1A1	P1C2	P1A2	F2B1		
			P1A2		P1A3				
Cost Management		P1A1	P2A1	P2B2	P2B3	P3B1	P3B1		
			P2B1		E2D2				
Business Planning	Planning, Forecasting and Budgeting	P1B1	P1B1	P2B2	P2B2				
		P1B3	P1B2	P2C1	P3C3				
		E1B2	P1B4		E3D1				
	Capital Expenditure	P2C1	P2C1		P2C1	E3B2	P3E1		
					F3A2	F3A2			
					P3E1				
Management Reporting and Analysis	Financial Analysis	F1C1	P2C1	P1D1	P3D1	F2C1	E3D1	P3B1	
		F1C2		P2C1		F2C1	P3D1		
		F1C3		P2D1		P2B1			
	Management Reporting	E1B2		E1C1	F2C1	E3E1	E3D1		
				E1C2		P2B2			
	Performance Management	P1C1	E1B2	E1B2	P2B2	E2A2			
		P1C2	E1E2	E2B1		E3D1			
		E1B1	P1D1	E2B2		P2B2			
	Variance Analysis	P1A1	E1B1	P1A1		P2B2			
		P1B5							
Benchmarking	P1B2		P2B2	P3C3	E2A1	E2A2			
Corporate Finance and Treasury Management	Cash Management	F1C1	F1C3	F2C1		P3D1	F3C2		
		F1C2		P3D2		F3A2			
	Mergers and Acquisitions	F1B3		F2B2		E3B1	F3B1	F3C1	
				F3C1		F2B2	F3C1	F3C2	
						F3A2	F3C2	F3C3	
	Treasury Policies and Risk Management	F1C2		F2A1		F3A1	F3C3	E3D1	
				F2A2		F3B1	P3B1		
	Business Valuation			F3C2		F3C2		F3C2	
	Corporate Funding	F1C1		F2A1		F3A2		F3A1	F3B1
		F2A1				F3B1		F3A2	F3B2

LINKS TO COMPONENT LEARNING OUTCOMES
ACROSS THE CIMA SYLLABUS

Topic area	Focus within topic area	Levels of the Competency Framework						
		Foundational	Intermediate	Advanced	Expert			
Risk Management and Internal Control	Risk Management Policies	P1D1	P2D1	P2D2	P3A3	P3A1	P3C3	
				P3A1		P3A3	P3D2	
				P3A2		P3C2		
	Risk Identification and Assessment	P1D1	P2D1	P2D2	P3A1			
	Risk Response and Reporting	P1D1	P2D1	P2D2	P3A1	P3B1	P3B1	P3B3
				P3A2		P3B2		
	Internal Control	F1A2	P2D2	P3D2	P3B3	P3D1	P3C1	
		E1B1	P3B3		P3C1	P3D2	P3D2	
	Internal Audit	E1B1	P3C3		P3C3			
Accounting Information Systems	Information Systems Environment	E1C1	E1C2		E3E2		E3E1	P3B1
		E1C2	P2D2				E3E2	P3C1
	Accounting Applications	E1B2						
	Technology Developments in IT Solutions	E1C1	E1C2	E3E2		E3E1	E3E2	E3E2
Tax Strategy Planning and Compliance	Taxation Law	F1D1	F1D1	F2B1	F2B1	F3C2		
		F1D2	F1D2		F3A2	P3B1		
			F1D3		F3C1			
	Tax Accounting	F1D3	F1D2	F2B2				
			F1D3	F2B3				
			F2B1	F2B4				
	Tax Planning	F1D1	F3A3	F3C3	F3C1			
		F2D2	F3C1	P3B1	F3C2			
		F3C2		F3C3				
Business skills								
Strategy	E1A1	E1D2	E2A1		P3B1	E3B1	E3A1	
	E1B1	F1C2	E2A2		E3A1	E3C2	F3A1	
Marketing and Regulatory Framework	E1A2	E1E2	E2A2		E3A1	E3A1	E3A1	
	E1C2	F1A1			E3B1	E3B1	E3D1	
	E1E1				E2A2			
Process Management	E1D1		E2B1	E1D1	E3A1	P2A2	P3B1	
	E1D2		E2B2	P2A1	E3B1	P3C1	E3D1	
Business Relations	E1A1		E2C1	E2C2	E3A1			
Project Management	P2C1		E2D1	P3E1	E2D2		P2C1	
			E2D2					
Macroeconomic Analysis			E2A2	P2D2	E3A1	E3B2	P3A1	
			P2D1		E3B1	F3A1	F3A2	

Key: Operational Level Management Level Strategic Level

LINKS TO COMPONENT LEARNING OUTCOMES ACROSS THE CIMA SYLLABUS







Topic area	Focus within topic area	Levels of the Competency Framework					
		Foundational	Intermediate	Advanced	Expert		
People skills							
Influence		E1C1	E2B1	E2C2	E2C2	E3A1	E3A1
		E2C2	E2C1		E3CA1		
Negotiation and Decision Making		E1C2	E2C1	P2B1	E3A1	P2C1	E3B1
			E2C2	P2B2	E3C3		
			E2D1	P2C1	P2B1		
Communication		P2B1	E2C1		E2C2	E3D1	E3C1
			E2C2		E3C1		E3D1
Collaboration and Partnering		E1B1	E2B1	P2B1			
		E1B2	E2C1	P2B2			
			E2C2	P2B3			
Leadership skills							
Team Building		E1C1	E2A1	E2B2	E2B1	E3C1	E2C1
			E2B1	E2C1	E2C1		
Coaching and Mentoring		E1F1	E1F2	E2C1	E2C1		E3C3
		E1F2	E2B1	E2C2	E3C1		
			E2B2		E3C3		
Driving Performance		E1F2	E2A1	E2C1	E2B2	P2A2	E3D1
			E2B1	E2C2	E3C1	P3B1	
			E2B2	P3C1	E3D1		
Motivating and Inspiring		E2B2	E2A1	E2B2	E2B1		E2B2
			E2B1	E2C1	E2B2	E3C1	
Change Management		E2A1	E2A1		E2D1	E3C3	E3A1
			E2D1		E3C1		E3C3
			E2D2		E3C2	P3E1	

Key: Operational Level Management Level Strategic Level

We recommend reviewing the CGMA Competency Framework for the full list of Competencies in each area. This can be found at www.cimaglobal.com/competencyframework

AN EXAMPLE OF INTEGRATED CASE STUDY CONTENT

The integrated case study exams combine the knowledge and learning across the three pillars, and are set within a simulated business context relating to one or more fictionalised organisations – based on a real business or industry.

YOUR ROLE	YOUR AUDIENCE	QUESTION TYPES	SAMPLE CASE STUDY SCENARIOS
<p>STRATEGIC</p>  <p>Senior manager</p>	<p>CFO and rest of senior management team</p> 	<p>Long responses supported by analysis of both financial and non-financial information</p>	<p>E3</p> <p>Analysis of strategic options, leading to recommendations and justification.</p> <p>P3</p> <p>Risks associated with this need to be scrutinised.</p> <p>F3</p> <p>A financial strategy needs to be formulated, ensuring the strategy is adequately funded.</p>
<p>MANAGEMENT</p>  <p>Manager</p>	<p>CFO and senior business managers</p> 	<p>Long and short responses supported by analysis of both financial and non-financial information</p>	<p>E2</p> <p>Consideration of key stakeholders, and implementation via projects.</p> <p>P2</p> <p>Product and pricing decision, and/or the performance evaluation of division(s)/component parts.</p> <p>F2</p> <p>Impact on the financial statements and the performance of the organisation.</p>
<p>OPERATIONAL</p>  <p>Finance officer</p>	<p>Manager and product owners</p> 	<p>Short responses, supported by analysis of both financial and non-financial information</p>	<p>E1</p> <p>Analysis of the structure of the organisation, as well as cross-functional communication.</p> <p>P1</p> <p>Costing and/or budgeting issues.</p> <p>F1</p> <p>Impact on the preparation of financial statements and tax implications.</p>

EXAM INFORMATION AND TIMETABLE

Exams	Availability	Type of assessment	Length of assessment	Location
Objective tests				
E3 P3 F3 E2 P2 F2 E1 P1 F1	On-demand (Year round)	Computerised objective tests	90 minutes	Can be sat globally at Pearson VUE test centres.
Integrated case studies				
Strategic Level Management Level Operational Level	Four sittings per year (February, May, August and November)	Computerised integrated case study	3 hours	Locations of Pearson VUE test centres can be found via the CIMA website.

Actual dates for the integrated case study exam sittings are available on the CIMA website.

International Accounting Standards and Exposure Drafts

The examinations will be set in accordance with relevant International Accounting Standards and International Financial Reporting Standards.

This also applies to material contained in Financial Reporting Exposure Drafts. The 1st December preceding the exam is the cut off date for standards and is the date the standard becomes effective. Check the CIMA website for the most up to date information on examinable standards.

Mathematical tables and formulae

Relevant formulae will be included within the appropriate examination and mathematical tables relevant to the subject will be identified. These will be published on the CIMA website.

Assessment of practical experience

To qualify as a Chartered Global Management Accountant (ACMA, CGMA), as well as completing all of the examinations, students must also demonstrate they have gained a minimum of three years relevant practical experience.

This experience can be gained before, during and/or after studies.

For the latest information on the requirements and how to submit work experience for assessment, please visit www.cimaglobal.com/per

TRANSITION ARRANGEMENTS FOR STUDENTS

2010 syllabus		2015 syllabus (objective tests)	
STRATEGIC LEVEL			
E3	Enterprise Strategy	E3	Strategic Management
P3	Performance Strategy	P3	Risk Management
F3	Financial Strategy	F3	Financial Strategy
MANAGEMENT LEVEL			
E2	Enterprise Management	E2	Project and Relationship Management
P2	Performance Management	P2	Advanced Management Accounting
F2	Financial Management	F2	Advanced Financial Reporting
OPERATIONAL LEVEL			
E1	Enterprise Operations	E1	Organisational Management
P1	Performance Operations	P1	Management Accounting
F1	Financial Operations	F1	Financial Reporting and Taxation

Transition from the 2010 qualification

Registered CIMA students who have passed examinations (or been awarded exemptions from examinations) in the CIMA 2010 Syllabus will be given credits for objective tests in the CIMA 2015 Syllabus, as shown in the table above.

Students who have completed the professional competence level Paper T4 – part B (2010 syllabus or equivalent), will be given a credit in the Strategic Case Study Exam.

Students who have completed the Operational or Management Levels in the 2010 (or earlier) Syllabus will progress to the next level. Students who are mid-way through a level, will need to complete any outstanding objective tests at that level, as well as the newly introduced integrated case study, at that level.

For example, if a student has completed (or received exemptions from) F2 and P2 at transition, they will need to complete the objective test for E2; and then complete the Management Case Study Exam. They will then be able to proceed to the Strategic Level.

PROGRAMME DESIGN AND THE INTERNATIONAL EDUCATION STANDARDS

International Education Standards

CIMA is a member of the International Federation of Accountants (IFAC) and supports the principles, standards and guidelines set out within the 'IFAC International Education Standards for Professional Accountants'.

CIMA pre-qualification education programmes

Designers and deliverers of CIMA tuition programmes are requested to refer to the IFAC International Education Standards and reflect the contents when developing learning programmes for CIMA students.

CIMA initial professional development – practical experience

Those responsible for managing, supervising and mentoring CIMA students as they acquire relevant practical experience are requested to refer to the IFAC International Education Standards and reflect the contents when developing work-based experience programmes.

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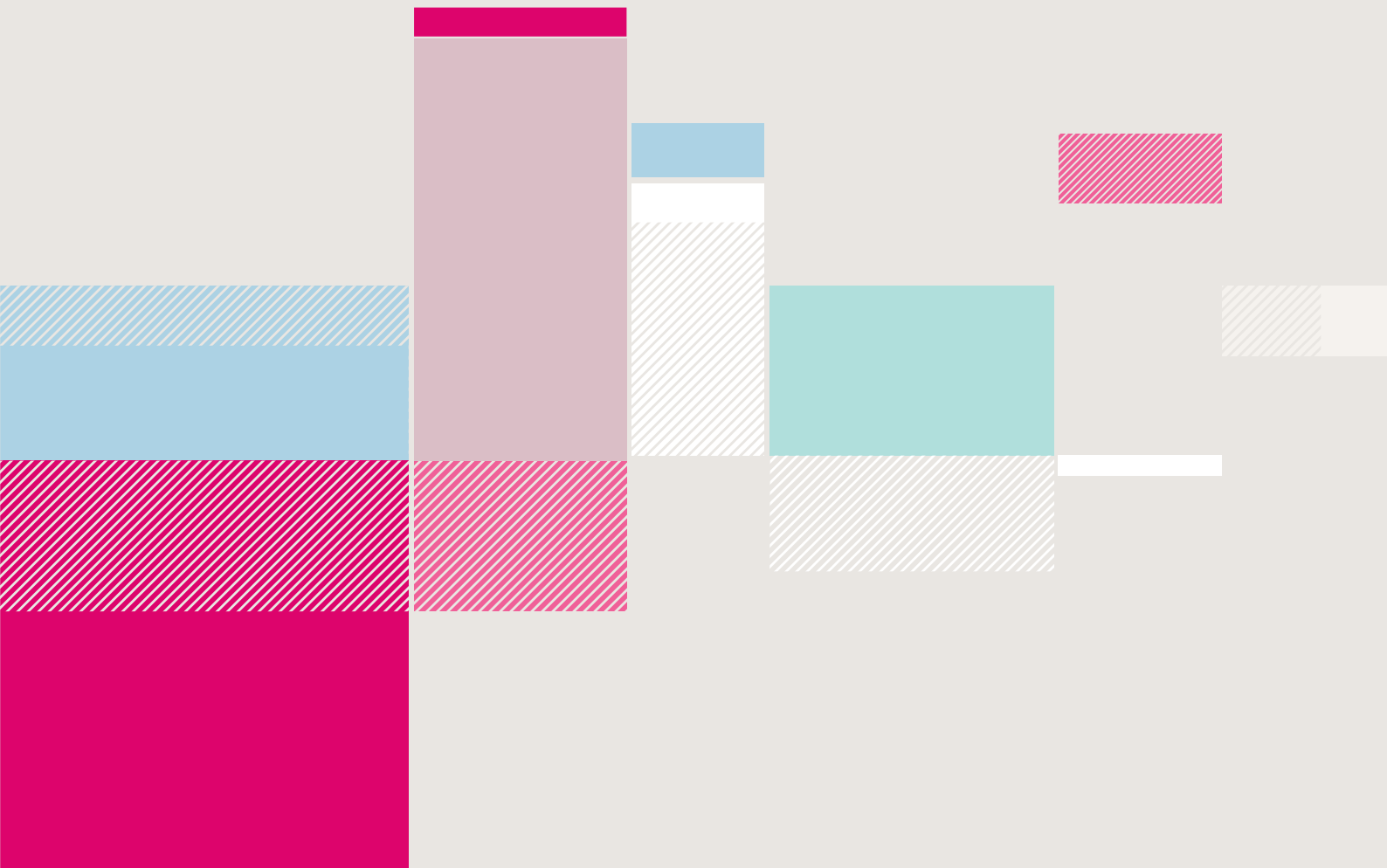
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**CIMA PROFESSIONAL
QUALIFICATION, 2015 SYLLABUS**



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2015 SYLLABUS