

CMA

PROFESSIONAL PROGRAMME

HANDBOOK 2018 - 2022



INSTITUTE OF CERTIFIED MANAGEMENT ACCOUNTANTS OF SRI LANKA
COLOMBO 04, SRI LANKA

THE NATIONAL PROFESSIONAL MANAGEMENT ACCOUNTING INSTITUTION IN SRI LANKA

Institute of Certified Management Accountants of Sri Lanka

Incorporated by Parliament Act No, 23 of 2009

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Cover-image depicts the programme's commitment to value addition, connectivity and drive.

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PRESIDENT'S MESSAGE



We are pleased to introduce the new CMA Professional Programme which comes into effect from the March, 2018.

The consultants entrusted to revise the study programme have ensured that the new syllabus has taken into account current trends and developments in the sphere of accounting. The revised programme is in accordance with International Education Standards (IES) prescribed by The International Accounting Education Standards Board™ (IAESB™) of IFAC. In developing the new syllabus, views of our stakeholders were taken into careful consideration through an intensive interactive process.

The objective of the CMA Professional Programme is to produce competent management accountants with a local-global outlook required to meet the challenges in organizations both locally and globally. In order to meet this objective in a dynamic and complex business environment, the CMA Professional Programme is revised periodically in keeping with the new trends and developments in accounting.

The revised CMA Professional Programme 2018 carries significant improvements with respect to the focus, structure, and coverage both in terms of scope and depth of contents. It will undoubtedly facilitate the grooming of competent management accountants who are capable of crafting strategies and managing risk in pursuit of developing sustainable world class organizations.

Prof. Lakshman R Watawala

FCMA, FCA, FCMA (UK), CGMA, FCPM

President, CMA.

SECTION ONE

INSTITUTE OF CERTIFIED MANAGEMENT ACCOUNTANTS OF SRI LANKA (CMA)

Set up as the Society of Management Accountants in the year 1999 with the technical assistance of CMA Canada (now CPA Canada) was launched in June 2000. The Institute of Certified Management Accountants of Sri Lanka (CMA) was incorporated by the Act of Parliament No.23 of 2009 as the National Professional Management Accounting Institution in Sri Lanka coming under the Ministry of Industry & Commerce. Since its inception in June 2000, CMA has progressed to become a body with over 16,000 students and 2,400 members. The institute promotes the study and application of Management Accounting, Financial Accounting & Finance and Business Management through its Certified Management Accounting Study Programme leading to a Professional Management Accounting qualification.

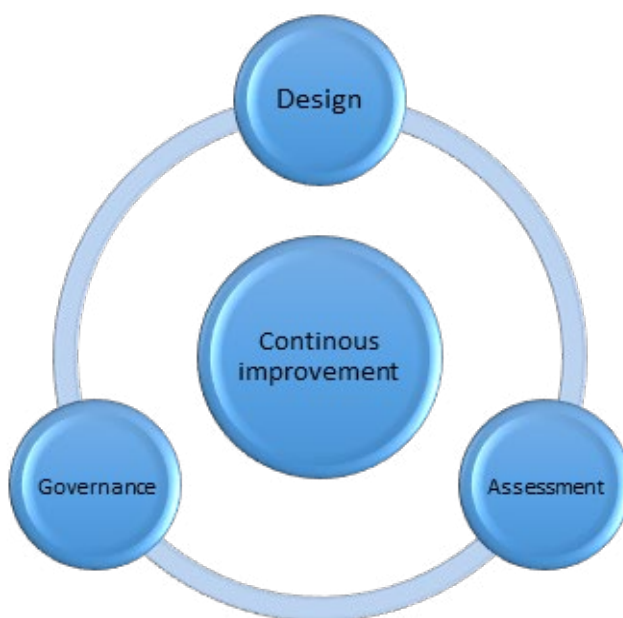
CMA is a Member of the International Federation of Accountants (IFAC). This is of importance as IFAC is the apex organization of world-wide professional accounting bodies numbering 175 spread across 130 countries with a total membership of more than 3 million accountants covering public practice, government, industry, service, commerce and education. It is a member of the South Asian Federation of Accountants (SAFA), an Apex body of SAARC, thereby joining the fraternity of professional accounting bodies in India, Pakistan, Bangladesh, Nepal and Sri Lanka. CMA is represented on the SAFA Board. CMA is also a Member of the Confederation of Asian and Pacific Accountants (CAPA) consisting of Professional Accounting Bodies in the Asia & Pacific Region.

The recognition of CMA by institutes of higher education and professional accounting bodies, both local and overseas, is reflected in the exemptions granted for the CMA qualification by the following institutions: CMA Canada and CGA Canada (now CPA Canada); CPA Australia; ACCA UK; CIMA UK; CA Sri Lanka; Open University of Sri Lanka and Deakin University, Australia. CMA has also signed Memoranda of Understanding designed for collaboration on many fronts with professional institutions such as the Institute of Cost Accountants of India, ICMA Pakistan, ICMA Bangladesh, CPA Australia and a number of Sri Lankan state universities, higher educational institutes and corporate entities.

Those who aspire to CMA membership are required to successfully complete the CMA Professional Programme. On completion of all the relevant examinations, prescribed practical experience, and other requirements they could apply for Associate Membership (ACMA) and those with work experience at senior level for Fellow Membership (FCMA) of CMA. Through the Professional Programme they acquire a high level of competence¹ which enables them to perform with distinction in the world of work, whether in industry, service or commerce, both in the private and state sectors, local and foreign.

The CMA Professional Programme is revised every five years to keep abreast of the latest developments in accounting and other allied disciplines. This revision (2018) is designed with the objective of producing competent¹ professional management accountants for the local and global market. Based on consultations with a wide cross section of stakeholders, the new curricula has adopted the 'IFAC Learning Outcomes Approach' in respect of *design, assessment, governance* and *continuous improvement aspects* in a broad learning environment including delivery, timeliness and educator quality (See Figure 1.1). The revised programme is a significant improvement in the focus, structure and organization of course units, their connectivity and the content.

Figure 1.1: Guiding principles of Learning Outcomes Approach



Source: IES (2015)

¹As per IES (2015) competence is the integration and application of technical competence, professional skills, and professional values, ethics and attitudes (Handbook of International education Pronouncements, p. 9).

SECTION TWO

CMA PROFESSIONAL PROGRAMME

Objective

The objective of the CMA Professional Programme is to produce competent management accountants with a global-local outlook needed to meet organizational goals in today's complex, dynamic and competitive environment. CMA accountants will be able to demonstrate the integration and application of (a) technical knowledge (b) professional skills, and (c) professional values, ethics, and attitudes in their places of work to a defined standard.

Entry Requirements

The direct entry requirement for the Professional Programme is a minimum of three passes at the General Certificate of Education (GCE) Advanced Level examination. CMA also specifies other routes and lateral entry points for enrolment. Further, it grants pre-defined exemptions to graduates and those with professional qualifications in accounting and affiliated disciplines.

Design

In order to receive the CMA Professional Qualification a candidate has to (a) complete the study programme, (b) fulfill the workshop series and (c) gain practical experience specified by the Institute (See Figure 2.1).

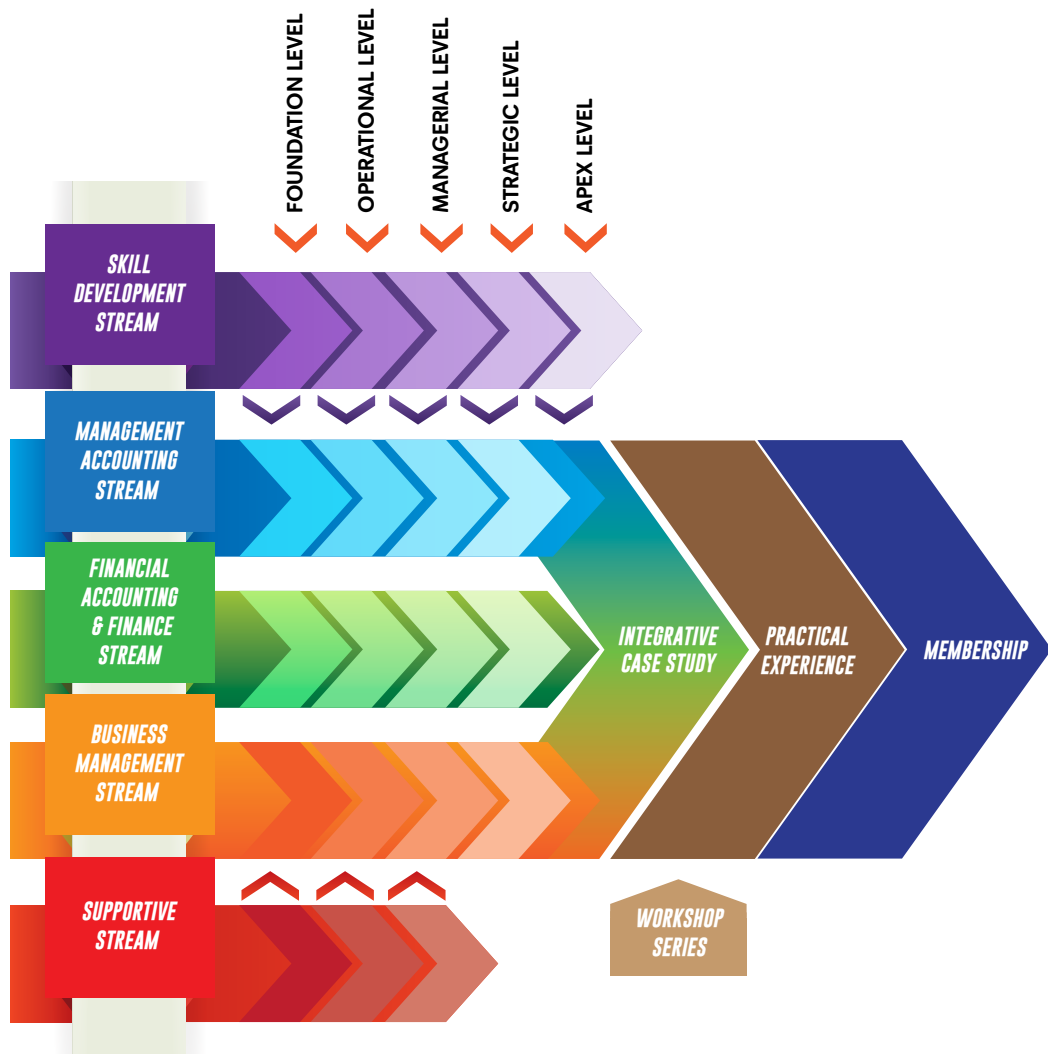
The **Study programme** consists of five levels: Level 1 (Foundation), Level 2 (Operational), Level 3 (Managerial), Level 4 (Strategic) and Level 5 (Apex), all of which comprise twenty two course units. (Refer Section Three for details).

The **Workshop series requirement** has to be fulfilled after completing the Apex Level but before applying for membership (Refer Section Five for details).

The **Practical experience requirement** is of three years' duration and has to be gained while completing or after completing the study programme (Refer Section Six for details).

The CMA Professional Programme, formulated on the model of the Value Chain² (Porter, 1980), constitutes a series of value-adding activities, linked to each other from the point of entry to gaining membership of the Institute, and thereafter.

Figure 2.1: CMA Professional Programme - The Value Chain



² In today's competitive context, where a firm's capacity to 'deliver superior value' to customers has become the ground rule of business success organizations are conceptualized and managed differently, as a 'value chain' (Porter 1980, 1985). Once organizations are seen as value chains, integration and co-ordination across different functional domains become crucial, and managing the sum instead of the parts has become the accepted logic... (Wickramasinghe, DP & Alawattage, C 2007, *Management Accounting Change: Approaches and Perspectives*, Routledge)

In the value chain there are three types of course units: core, supportive and skill, spread across the five levels.

The core courses are clustered into three disciplinary streams: Management Accounting, Financial Accounting and Finance, and Business Management. The course units in the Management Accounting stream deal with aspects central to the role played by the Management Accountant; those in the Financial Accounting and Finance stream are directly related to, and hence are complementary, to the Management Accounting stream while course units in the Business Management course provide a managerial and functional backdrop for working in organizations.

The supportive course units impart the technical and ancillary knowhow required for the core courses. Finally, skill course units, while instilling and enhancing specific professional skills, facilitate mastery of other course units.

The integrative case study, the capstone of the study programme, enhances the competencies of candidates at a higher order and in a holistic sense. The practical training component of three years' duration ensures that students are competent in the application of knowledge, skills, professional values, ethics, and attitudes. The workshop series promotes further professional communication and life skills prior to applying for membership, and thereby lays the foundation for continuing professional development.

Delivery

The CMA study programme is available via registered educational institutes (both in the metropolitan and regions), e-learning, video lectures as well as by self-study. Comprehensive study packs are made available to students at all levels in the English medium and the first two levels in the Sinhala and Tamil media.

Assessment

Assessment takes place through written, practical and oral examinations as well as through on-the-job assessments. CMA adopts standard measures to ensure reliability, validity, equity, transparency and sufficiency in its assessment activities.

CMA conducts examinations twice a year, in March and September, with the assistance of the Commissioner General of Examinations of Sri Lanka. At a given level subject-wise passes are granted so that candidates could proceed to a higher level while still completing the remaining subjects at a lower level, subject to pre-defined requirements. (Refer Section Seven for details).

Governance

CMA is committed to effective improvements in the Professional Programme. It has well thought out policies and procedures in place to monitor, evaluate and improve the design, conduct and assessment of the programme on a continuous basis. Some of the committees that are actively engaged in ensuring good governance are Education and Training, Examinations and those set up for implementation and monitoring of action plan on Statements of Member Obligations (SMOs) of the IFAC.

SECTION THREE

CMA STUDY PROGRAMME, 2018

The CMA study programme comprises Foundation, Operational, Managerial, Strategic and Apex levels akin to the hierarchy observed in organizations. With progression to each new level, students will acquire new competencies specific to that level while becoming conversant with what has been imparted earlier. Thus, acquisition of knowledge and skills culminates in the integrative case study.

The study programme consists of 13 core course units, 3 supportive course units, 5 skill course units and an integrative case study. (See Table 3.1 for the distribution of course units among the different levels.)

Table 3.1: Composition of Course Units

Level	Core	Supportive	Skill
Level 1 - Foundation	3	1	1
Level 2 - Operational	3	1	2
Level 3 - Managerial	3	1	1
Level 4 - Strategic	4	-	-
Level 5 - Apex	Integrative Case Study		1

Candidates can choose to study for Levels 1 and 2 in Sinhala, Tamil or English language while the medium of instruction thereafter is English only.

The syllabus structure, inclusive of the codes, titles and content of the 22 course units are listed below:

LEVEL 1 - FOUNDATION

Core

FL 1: Management Accounting Fundamentals

FL 2: Financial Accounting (70%) & Finance Fundamentals (30%)

FL 3: Fundamentals of Management (60%) & Economics (40%)

Supportive

FL 4: Quantitative Methods for Business

Skill

FL 5: Business English I

LEVEL 2 - OPERATIONAL

Core

OL 1: Management Accounting

OL 2: Advanced Financial Accounting (70%) & Finance (30%)

OL 3: Managing Business Operations (Operations Management 40%, People Management 30% & Marketing 30%)

Supportive

OL 4: Commercial Law (50%) & Taxation (50%)

Skill

OL 5: Business English II

OL 6: Information Technology Applications

LEVEL 3 - MANAGERIAL

Core

ML 1: Advanced Management Accounting

ML 2: Corporate Reporting & Analysis

ML 3: Managing Projects (50%) & Information Systems (50%)

Supportive

ML 4: Corporate Law (50%) & Advanced Taxation (50%)

Skill

SK 5: Professional Communication

LEVEL 4 - STRATEGIC

Core

SL 1: Strategic Management Accounting

SL 2: Financial Strategy & Valuation

SL 3: Business Strategy (70%) & Risk Management (30%)

SL 4: Corporate Governance (40%), Control Strategy (40%) & Ethics (20%)

LEVEL 5 - APEX

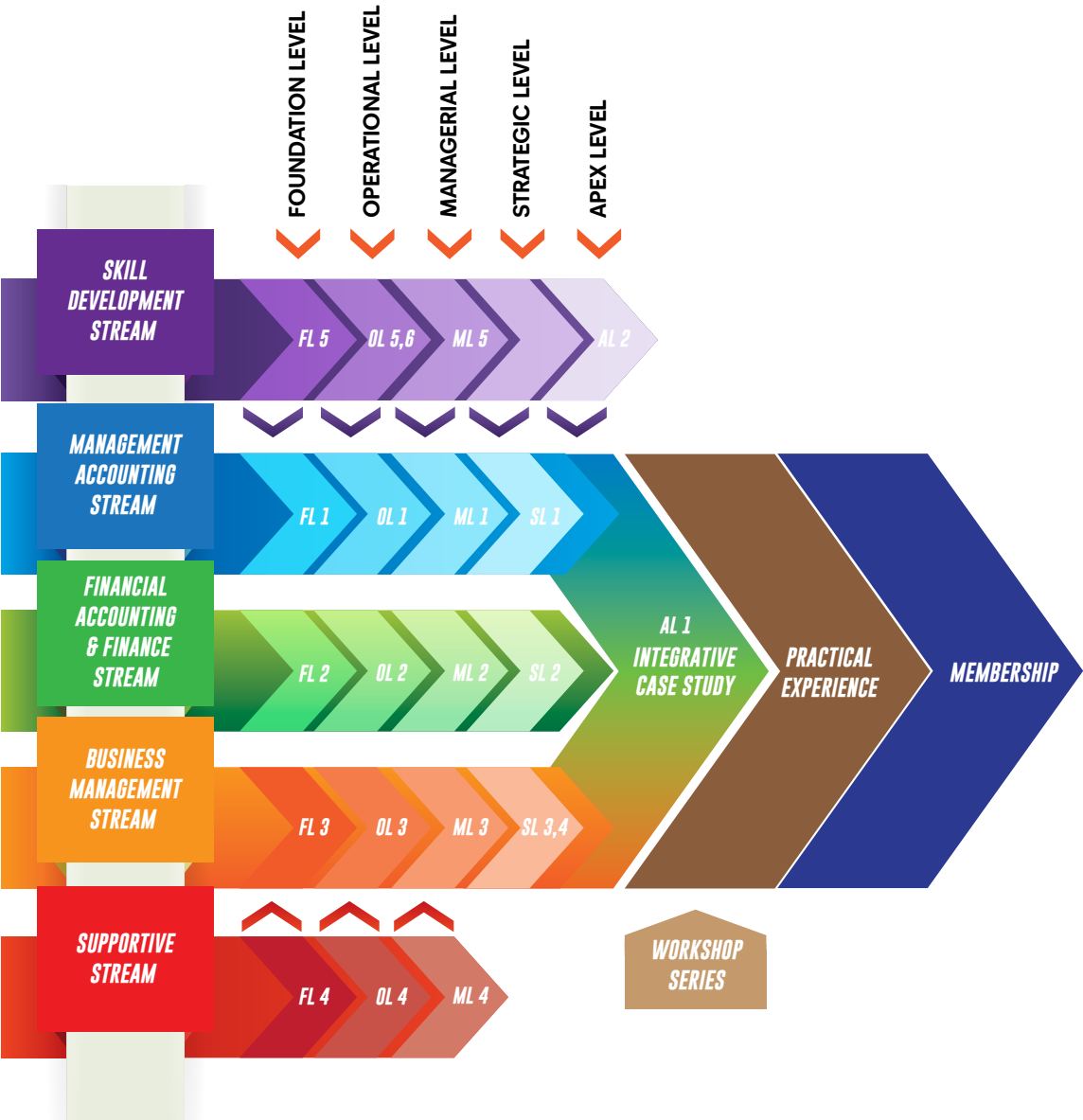
AL 1: Integrative Case Study

Skill

AL 2: Computer Based Accounting

The progression of course units within the study programme is shown in Figure 3.1.

Figure 3.1 CMA Professional Programme - Value Chain (with course codes)



SECTION FOUR

EXAMINATION SYLLABUS 2018

The course syllabi are organized under Introduction, Syllabus Structure, Focus and Content, and Teaching Aids. The syllabus structure specifies the main topics in the course unit together with their relative importance (weight). Each topic is elaborated on under the terms focus and content, the former specifying the learning outcomes and the latter the sub-topics. Essential reading material is listed at the end of each syllabus.

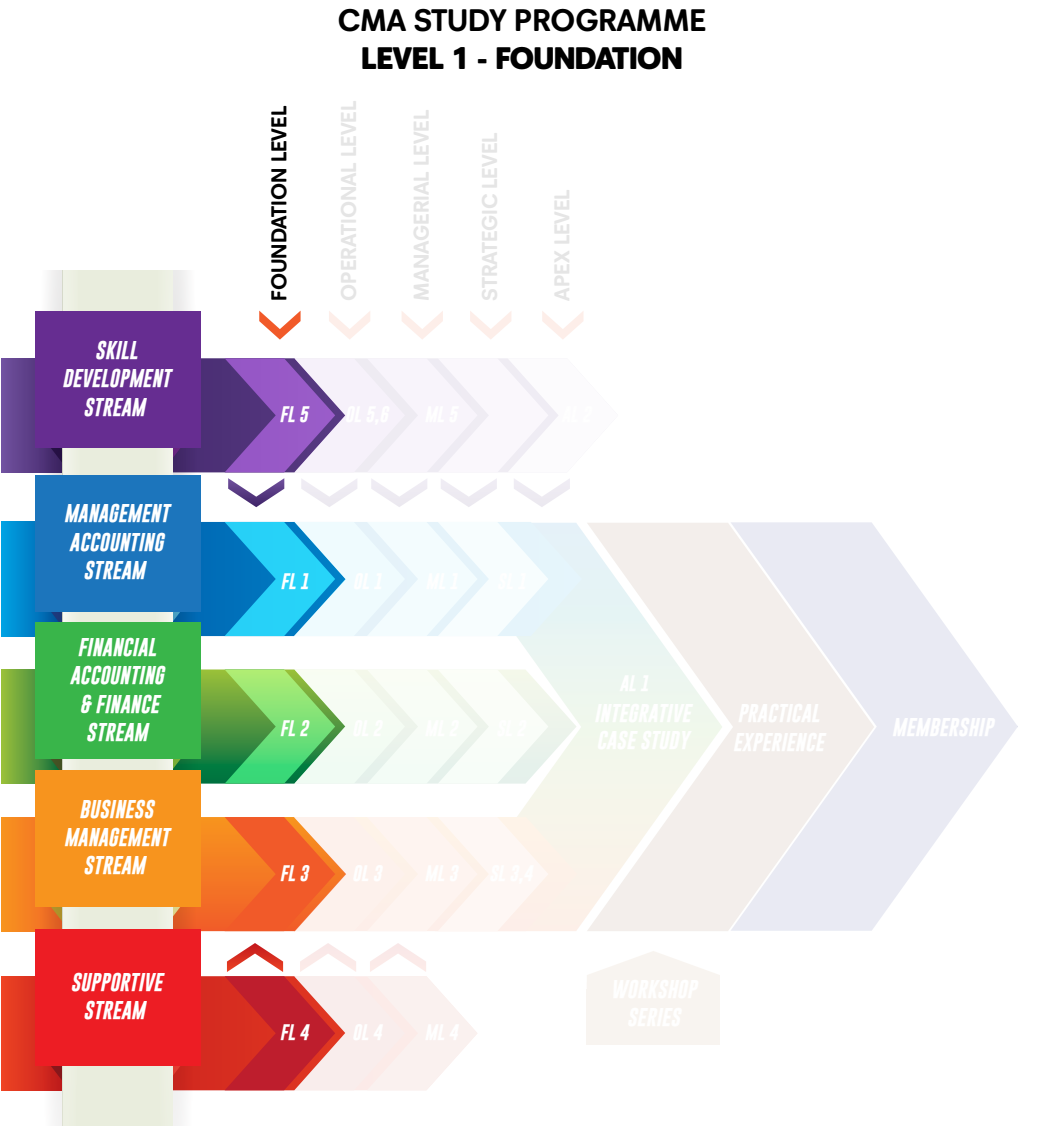
Key Words

The meaning of key words used in the course syllabi are given in Table 4.1.

Table 4.1: Defining Key Words

Key word	Definition
Advise	Suggest what should be done or inform about a fact or situation.
Analyze	Examine in detail or find structure or composition.
Apply	Bring into operation or use.
Argue/ debate	Logically reason, inclusive of for and against; make rounds of argument until a statement is justified.
Calculate	Work out or compute using mathematics.
Categorize	Place in a defined class or category.
Compare and contrast	Give the similarities and/ or differences between.
Compute	Work out or calculate using mathematics.
Construct	Build, form or compile.
Critically assess	Present views for and against.
Deduce	Systematically argue leading to the given statement.
Define	Give the exact meaning of a word or phrase.
Demonstrate	Clearly show, explain how something works, giving evidence.
Describe	Give the key features of, a detailed account of.
Discuss	Examine in detail in logical sequence.
Distinguish	State the differences.
Evaluate	Appraise or form an idea of the amount or value of.
Explain	Make clear or give a detailed description; give reasons for; state the meaning or purpose of.
Identify	Recognize, establish as a specified thing through selection after consideration.
Illustrate	Use an example to describe or explain something.

Interpret	Explain the meaning; translate into intelligible terms.
Justify	Establish that something is right or reasonable.
List	Give a list of.
Prepare	Make something ready for use [or do?].
Present	Give an orderly exposition.
Prioritize	Organize in order of priority or sequence for action.
Produce	Create or bring into existence.
Recommend	Propose a course of action.
Reconcile	Bridge the gap between two aspects.
Solve	Find an answer to.
State	Express, fully or clearly.
Tabulate	Present in a 'table'.



Code	Title	Status
FL 1	Management Accounting Fundamentals	Core
FL 2	Financial Accounting (70%) & Finance Fundamentals (30%)	Core
FL 3	Fundamentals of Management (60%) & Economics (40%)	Core
FL 4	Quantitative Methods for Business	Supportive
FL5	Business English I	Skill

FL 1: MANAGEMENT ACCOUNTING FUNDAMENTALS (MAF)

Introduction

Management accounting, as the core discipline of management accountants, provides them with a sound understanding of the planning, decision making and control aspects of an organization. This foundation level course unit equips students with an introduction to management accounting so as to help them understand the role of management accounting and control systems within organizations while improving their knowledge of the use of accounting information in various managerial functions. It also lays the foundation for techniques of management accounting, which will be treated in detail in other course units of the management accounting stream.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Describe the nature and role of management accounting in organizations;
- Demonstrate an ability to measure and interpret alternative costing techniques and apply those techniques to solve practical problems;
- Evaluate various non-routine decisions supported by both financial calculations and evaluation of non-financial issues; and
- Apply management accounting tools and techniques for planning and control functions.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of management accounting	05	05
B	Analysis of costs	25	22
C	Costing systems and methods	35	31
E	Short-term decision-making	15	14
F	Planning and control	20	18
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, of 2 hour duration, will consist of 50 multiple choice/ structured questions.

Contents

A) Overview of management accounting (05%)

Focus	Content
Present an overview of management accounting.	The term management accounting and its role and functions in organizations; management accountants in the global business environment.
Differentiate between management accounting, financial accounting and cost accounting.	Users of accounting information; differences among management accounting, financial accounting and cost accounting.

B) Analysis of costs (25%)

Focus	Content
Define relevant cost concepts and terms. Describe different classifications of costs.	Purposes for which cost information is required; introduction to cost terms and concepts (cost objects, direct and indirect costs, period and product costs, cost behavior and relevant range, relevant and irrelevant costs and revenues, avoidable and unavoidable costs, sunk costs, opportunity costs, incremental and marginal costs).
Apply various cost estimation techniques.	Cost estimation methods (visual fit method, high-low and least square regression methods and their evaluation)
Describe procurement, storage, issue of material and stock control methods	Materials recording procedure; recording the issue of materials; pricing the issues of materials (First In First Out-FIFO, Last In First Out-LIFO, Weighted average and replacement cost methods and their valuation); various stock control methods (two bin system, ABC, etc.).
Compute various stock levels and Economic Order Quantity (EOQ).	Control procedure for materials (Re-Order Level, Economic Order Quantity, maximum and minimum stock levels).
Describe labor remuneration methods.	Labor remuneration methods (time based, piece rate, and incentive schemes); direct and indirect
Describe direct and indirect classification for selected labor related costs.	classification for various labor costs (bonus, sick leave, diverted hours, shift pay, EPF and ETF, paid leave, etc.).

Describe accounting for overheads (including the treatment of reciprocal serving).

Nature of overhead costs; overhead distribution (allocation, apportionment, absorption and absorption rates); reciprocal servicing (direct, step down, simultaneous equation and repeated distribution methods).

Discuss the incidence of over or under absorption.

Over/ under absorption (reasons, implications and accounting treatment).

Compute the total cost of a product or service having applied direct costs and overheads.

Total cost of a product including overheads.

C) Costing systems and methods (35%)

Costing systems (15%)

Focus

Content

Compare and contrast absorption costing with variable costing.

Meaning of absorption costing and variable costing; difference in stock valuation; concept of contribution; profit statements under these methods; reconciliation of profit (same period but different methods and same method but different periods); arguments in support of and against variable costing and absorption costing.

Prepare profit statements using absorption and marginal costing principles and reconciliation.

Discuss arguments for and against absorption and marginal costing and their applications.

Compare and contrast interlocking and integrated systems.

Accounting for interlocking and integrating; reconciliation of the two systems.

Reconcile the profit figures.

Costing methods (20%)

Focus

Content

Explain the main features of costing methods.

Specific order costing vs. continuous operations costing; job costing and batch costing (nature, calculating the total cost and cost per unit); contract costing (differences between job and contract costing, calculating the percentage of completion, calculating the profit based on the percentage of completion)[detailed application of SLAS 13 not included].

Apply job, batch and contract costing principles.

Apply service costing principles.

Service costing- distinguishing features, composite cost units, calculation of cost per unit.

Apply process costing principles and concepts.

Nature of process industries; flow of production and costs in a process costing system; losses in process (normal and abnormal losses); consecutive processing; process costing when all output is fully completed; partially completed output (closing WIP only).

D) Short-term decision making (15%)

Focus	Content
Describe Cost-Volume-Profit (CVP) analysis. Describe the applications, assumptions and limitations underlying CVP analysis.	A mathematical approach to C-V-P analysis; (break-even point, break-even revenue, margin of safety, target profit); break-even charts (break-even chart, PV chart, Contribution chart); simple applications of CVP analysis; limitations/assumptions.
Discuss limiting factor analysis as an extension to CVP analysis.	Types of limiting factors; contribution per unit of scarce resource; product ranking; resource allocation decision; assumptions in limiting factor analysis.
Produce the optimum production schedule having applied single limiting factor analysis.	

E) Planning and control (20%)

Focus	Content
Describe the nature, role and purpose of budgeting. Prepare functional and other budget. Explain variances arising from budgets.	The multiple functions of budgets; conflicting roles of budgets; stages in the budgeting process; preparation of functional budgets (sales budget, production budget, raw materials budget, labor budget, overheads budget); cash budget; budgetary control and variances (fixed budget, flexed budget, volume and expenditure variances).
Describe the nature and purpose of standard costing. Apply variance analysis. Prepare profit reconciliation statements using marginal and absorption costing.	Operation of the standard costing system; advantages of standard costing; establishing cost standards; types of cost standards, variance analysis and causes (material price and usage variances, labor rate, idle time and efficiency variances, variable overhead expenditure and efficiency variances, fixed overhead expenditure and volume variances, sales price and volume variances); reconciling budgeted profit and actual profit using operating statement under marginal and absorption costing systems.

Learning Aids

Mandatory reading:

Study Pack on Management Accounting Fundamentals 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Drury, C 2015, **Cost and Management Accounting**, Cenagage Learning, New Delhi

Horngren, C 2013, **Introduction to Management Accounting**, Prentice Hall, London

FL 2: FINANCIAL ACCOUNTING & FINANCE FUNDAMENTALS (FAF)

This course unit is divided into two sections: Financial Accounting Fundamentals (70%) and Finance Fundamentals (30%).

Assessment

The test paper, of two-hours' duration, will consist of 50 multiple choice/ structured questions. The questions will be set in the proportion Financial Accounting Fundamentals (70%) and Finance Fundamentals (30%) approximately.

Financial Accounting Fundamentals (70%)

Introduction

This is an introductory course unit in the financial accounting and finance stream that lays the foundation for other course units offered in the operational, managerial and strategic levels. The objective of this course is to provide students with an understanding of financial accounting and the reporting environment. The course covers the principles and concepts of financial accounting and the accounting process encompassing the preparation of financial statements of sole proprietorships including manufacturing and trading entities, partnerships and not-for-profit organizations.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Describe the principles and concepts of financial accounting;
- Illustrate the impact of business transactions on the accounting equation;
- Prepare the prime entry books and ledger to record business transactions; and
- Prepare financial statements of sole proprietorships, partnerships and not-for-profit organizations.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Introduction to accounting	05	04
B	Accounting equation and double entry system	10	09
C	Accounting process	15	14
D	Adjustments to accounting records	15	14
E	Financial statements for various organizations	25	22
Total		70	63

The contents are to be covered in about 63 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Introduction to accounting (05%)

Focus	Content
Explain the information needs of stakeholders of the business and the role of financial accounting in this respect.	Stakeholders of a business and their information needs; types of business organizations; accounting; accounting as an information system.
Distinguish between financial accounting and management accounting.	Branches of accounting–financial accounting and management accounting.

B) Accounting equation and the double entry system (10%)

Focus	Content
Define the terms in the accounting equation and double entry system.	Entity concept; assets, liabilities and equity.
Illustrate the impact of business transactions on the accounting equation.	Development of the accounting equation; impact of various transactions on the accounting equation.
Apply the concept of double entry.	Duality concept and the double entry system; recording transactions in ledger accounts based on double entry principles.

C) Accounting process (15%)

Focus	Content
Describe the accounting process and the inter-linkages.	Accounting input, process and the output; source documents; prime entry books; general ledger; trial balance; financial statements.
Prepare the prime entry books by recording transactions.	Cash receipts and payments-cash book and petty cash book; credit sales and credit purchases-sales day book and purchases day book; sales return and purchases returns-sales return day book and purchase return day book; recording transactions in the general journal.
Prepare the ledger accounts and the trial balance.	Posting entries to the general ledger; balancing and closing the ledger accounts; drawing the trial balance.

D) Adjustments to accounting records (15%)

Rectification of accounting errors (05%)

Focus	Content
Identify the types, nature and impact of error.	Different types of errors: errors where the trial balance still balances and errors where the trial balance does not balance; suspense account.
Apply means of rectifying errors and prepare a trial balance.	Correction of errors and the impact of correction of errors on profit.

Bank reconciliation statement (05%)

Focus	Content
Prepare a bank reconciliation statement.	Purposes of the bank reconciliation statement; reasons for difference between the bank statement and the cash book: unrecorded items, timing differences and errors; adjusting the cash book balance.

Control accounts and sub ledgers (05%)

Focus	Content
Prepare the subsidiary ledgers and control accounts.	Purpose and nature of subsidiary ledgers: creditors' ledger, debtors' ledger and control accounts for debtors and creditors; recording transactions: creditors' control account and creditors' ledger and debtors control account and debtors' ledger.
Reconcile the differences between control accounts and the subsidiary ledger balances.	Reconciliation of differences between control accounts and the subsidiary ledger balances.

E) Financial statements for various organizations (25%)

Preparation of financial statements (10%)

Focus	Content
Explain the accounting concepts and principles.	Accounting concepts and principles applied in preparation of financial statements.
Explain the role of financial statements.	Income statement and statement of financial position (structure components and items); from the trial balance to financial statements.
Prepare basic financial statements.	Adjusting entries for; closing stock, depreciation, bad debts, accrued expenses and income, prepaid expenses and income, stock losses.
Illustrate the adjusting entries required in the preparation of financial statements.	

Prepare a manufacturing account.

Purpose of the manufacturing account, structure, components and items; prime cost, production overhead and total production cost.

Prepare financial statements of a sole proprietorship.

Statement of profit or loss (trading, profit and loss account); statement of financial position.

Financial statements for partnership (10%)

Focus	Content
Describe the formation and profit sharing of a partnership.	A partnership, partnership agreement and profit sharing between partners; Partnership Act (Sections 24).
Explain the special accounts relating to partnerships.	Profit and loss appropriation account; partners' capital account; partners' current account.
Prepare financial statements of a partnership after adjustments.	Statement of profit or loss and Profit and loss and appropriation account; Statement of financial position.

Financial statements for not-for-profit organizations (05%)

Focus	Content
Record transactions in special accounts pertaining to not-for-profit organizations.	Receipts and payments account (cash book); subscription account – annual membership and life membership; accumulated fund account.
Prepare financial statements of not-for-profit organizations with adjustment.	Income and expenditure account and statement of financial position.

Learning Aids

Mandatory reading:

Study Pack on Financial Accounting Fundamentals 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Benedict, A & Elliot, B 2011, **Financial Accounting: an Introduction**, Pearson's Education Limited, Essex

Hornigren, H, Best B & Willet, F 2012, **Financial Accounting**, Pearson's Education Australia

Finance Fundamentals (30%)

Introduction

Managing financial resources is vital for the success of a business and thus requires proper consideration by the management. Inability to manage the financial resources could result in the collapse of the whole business. Thus, making decisions with regard to financial resources has to be done with much caution. As providers of information for decision making, management accountants must be familiar with aspects of finance in order to fulfill their role in a business. In this background, this foundation level course unit provides an introductory but comprehensive description of the basic concepts and practice of financial management, which will be continued in subsequent course units in the study programme.

Learning Outcome

On successful completion of the course unit the student will be able to;

- a. Explain the financial system of Sri Lanka;
- b. Explain the risk return relationship;
- c. Apply the concepts of risk and return in practical situations; and
- d. Explain capital asset pricing models.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Role and scope of financial management	05	05
B	Financial systems and markets	05	04
C	Risk and return	20	18
Total		30	27

The contents are to be covered in about 27 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Role and scope of financial management (05%)

Focus	Content
Describe the role and scope of financial management.	Introduction to financial management; role of financial managers; corporate financial decisions; the goal of financial management.
Explain the agency relationship.	Agency relationship, agency problem and agency costs.

B) Financial systems and markets (05%)

Focus	Content
Explain the Sri Lankan financial system and its importance.	Overview of the Sri Lankan financial system; financial intermediation.
Explain the components of the financial system in Sri Lanka.	Financial markets; financial instruments; institutions; infrastructures; regulators.

C) Risk and return (20%)

Focus	Content
Identify the principles of risk and return.	Holding period returns; average returns using historical data; standard deviations using historical returns; expected returns using forecasted return; standard deviation of returns using forecasted returns; coefficient of variation
Compute basic measures of return and risk.	
Explain the concept of portfolios and effects of diversification.	Expected return and risk of portfolios; diversification of risk; systematic risk and unsystematic risk; Efficient Frontier; Capital Market Line (CML); Security Market Line (SML).
Explain systematic and unsystematic risks.	
Explain the Capital Asset Pricing Model (CAPM).	

Learning Aids

Mandatory reading:

Study Pack on Finance Fundamentals 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Ross, SA, Westerfield, RW & Jaffe, J 2016, **Corporate Finance**, McGraw-Hill, NY

Brigham, E F & Houston, J F 2013, **Fundamentals of Financial Management**, South-Western Cengage Learning, Mason, OH: US

FL 3: FUNDAMENTALS OF MANAGEMENT & ECONOMICS (FME)

This course unit is divided into two sections, Management (60%) and Economics (40%).

Assessment

The test paper, of two hours' duration, will consist of 50 multiple choice/ structured questions. The questions will be set in the proportion of Fundamentals of Management (60%) and Economics (40%) approximately.

Fundamentals of Management (60%)

Introduction

Irrespective of one's own area of specialization, all managers are required to possess a comprehensive knowledge of the fundamentals and the process of management. This knowledge will help them to set context specific goals and objectives and achieve them by making the best use of limited resources. This foundation course is designed to provide the knowledge and skills required for prospective management accountants to make effective managerial decisions in the current dynamic and complex business environment. With this objective this course covers the basic concepts of management, its theoretical foundations and the process of management. Further, a basic idea of corporate governance and ethics is provided in the course, which will be elaborated on at the strategic level.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Define the basic concepts and theoretical foundations of management;
- Explain the role of managers in performing the basic functions of management;
- Discuss practical issues encountered by managers;
- Apply the management knowledge and skills acquired; and
- Describe the role of corporate governance and ethics in organizations.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of management	15	14
B	Managerial functions	25	22
C	Corporate Governance and Ethics	20	18
Total		60	54

The contents are to be covered in about 54 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Overview of management (15%)

Introduction to management (05%)

Focus	Content
Define terms associated with management.	Alternative definitions for management; efficiency, effectiveness, and productivity; organization; management process; managerial levels; managerial roles; managerial skills.
Illustrate the outcome of an environment analysis and SWOT of a selected organization.	The nature of business environment; environmental analysis; internal vs. external environment; SWOT; environmental challenges for future managers.

History of management thought (10%)

Focus	Content
Explain the evolution of management thought.	History of management thought: historical foundations. Need for formal theories of management.
Identify the different emphasis under different schools of management thought.	Classical management theory: Scientific management (F.W. Taylor); Administrative theory (Henry Fayol). Bureaucratic management (Max Weber) Behavioral management theory (Elton Mayo, Douglas McGregor and Abraham Maslow). Other management theories: management science, systems theory and contingency theory. (A brief survey)

B) Managerial functions (25%)

Planning (05)%

Focus	Content
Describe the management process.	Management process and connectivity among each function of management.
Define the terms related to planning.	Fundamentals of planning; goals, objectives and strategies.
Explain the process of planning.	Simple planning processes, planning horizons.
Present the hierarchy of aims in an organization.	Vision, mission, goals, objectives and strategies.
Distinguish among different types of planning.	Strategic plans, action plans, contingency plans.

Organizing (05%)

Focus	Content
Define the process of organizing and associated concepts.	The organizing function; elements of organizing. authority, delegation, responsibility and accountability.
State the importance and elements of the organizational structure.	Organizational structure – importance and basic elements of an organizational structure.
Describe different organizational structures. Identify the organizational designs to be adopted in different contexts.	Designs of organizations (functional, divisional, hybrid and matrix); Context and organizational design; environment and organizational design.
Describe human resource planning.	Staffing the organization and human resource planning (A brief overview)

Directing (10%)

Focus	Content
Define the concept of motivation.	Concept of motivation and motivation process.
Distinguish between emphases underlying the theories of motivation.	Content, process and reinforcement theories of motivation (A brief overview)
Describe the communication process.	Communication process.
Prioritize modern communication techniques based on effectiveness.	Communication techniques and effectiveness of those techniques.
Discuss different types of communication systems	Communication in an organization: downward, upward and horizontal.
Define the terms related to leadership.	Leading vs. leader: power and bases.
Describe the trait and behavioral approaches to leadership.	Trait and behavioral approaches to leadership.
Compare and contrast democratic and autocratic styles of leadership.	Democratic and autocratic leadership styles.
Explain the different leadership theories.	Contemporary leadership theories: situational leadership theory (Hersey and Blanchard); path-goal theory of leadership; normative model of leadership (Vroom and Yetten) (A brief overview)

Controlling (05%)

Focus	Content
Describe the role of the control function in organizations.	Importance of control; nature of control-functions and levels.
Identify controlling process.	Activities in the control process.
Distinguish among types of control systems and strategies.	Types of control systems; managerial discretion, timing and information; controlling strategies– market, bureaucratic and clan.
Describe dysfunctional side-effects of control.	Dysfunctional side effects of control.

C) Corporate governance and ethics (20%)

Corporate governance (15%)

Focus	Content
Define the concept of corporate governance.	The concept of corporate governance; parties to corporate governance; principles of corporate governance.
Describe the role of different parties.	
Explain the principles of corporate governance.	
Describe the laws and regulations pertaining to corporate governance.	Laws and regulation; codes of 'best practice' and norms of behavior; board of directors, internal controls and accountability; risk management.
Describe the role of board of directors, internal controls and accountability aspects.	
An introduction to auditing.	Auditing in the corporate governance structure; Different types of audits and functions.

Ethics (05%)

Focus	Content
Describe the ethics framework of a business.	The concept of ethics; ethics framework of a business: ethics of the governing body, workplace ethics and individual ethics; ethical expectations of the markets.
Describe the ethical expectations of the markets.	
Identify the linkage between ethics and professionalization.	Professionalization: characteristics of a profession, professional ethics and the code of professional conduct, enforcing the code and barriers.
Describe the characteristics and principles of professional conduct.	

Learning Aids

Mandatory reading:

Study Pack on Fundamentals of Management 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Stoner, JAF, Freeman, ER & Gilbert, Jr. DR 2012, **Management**, Prentice-Hall, India

Crete, SC & Creto, ST 2012, **Modern Management**, PHI Learning Pvt. Ltd, New Delhi

ICASL Code of Best Practice on Corporate Governance

Listing Rules, Colombo Stock Exchange

CMA Code of Ethics for Professional Accountants

Economics (40%)

Introduction

Business Economics is one of the core subject areas of management as it provides knowledge of how managers should utilize scarce resources in an effective and efficient manner so as to achieve organizational goals and objectives. This foundation level course unit aims at introducing the basic economic principles and applications which are useful for understanding the general economic environment within which businesses and other organizations operate. The course covers the fundamental concepts and principles of both Microeconomics and Macroeconomics. Microeconomics deals with how consumers and firms make decisions and the way they interact with each other in markets while Macroeconomics examines the entire economy or the economy as an aggregate and its wellbeing.

Learning Outcomes

On successful completion of the course unit students will be able to:

- Understand fundamental micro and macro-economic concepts and principles and their usage in business decision making;
- Explain the effects of government intervention in individual markets and the macro economy;
- Apply economic theories to understand problems and issues in an organisation; and
- Interpret economic relationships and conditions using graphs and equations.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Fundamental concepts of economics	05	05
B	Demand, supply and the market economy	10	09
C	Theory of production, costs, profit maximization and market structures	10	09
D	Aspects of macroeconomics	15	13
Total		40	36

The contents are to be covered in about 36 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Fundamental concepts of economics (05%)

Focus	Content
Identify the basic economic concepts and principles	Definitions of economics, microeconomics and macroeconomics; scarcity; opportunity cost; production possibility frontiers; normative and positive statements in economics.

B) Demand, supply and the market economy (10%)

Focus	Content
Explain the theory of demand.	Demand; factors affecting demand; the law of demand (demand schedule, equation and demand curve); market demand curve; movements along and shift in the demand curve
Explain the theory of supply.	Supply; factors affecting supply; the law of supply (supply schedule, equation and supply curve); market supply curve; movements along and shift in the supply curve.
Explain market equilibrium.	Determination of market equilibrium; combination of demand and supply to form the equilibrium (computational and graphical method); shifts of demand and supply curves and impact on equilibrium. Government intervention in the free market and its economic consequences.
Illustrate the concept of elasticity and explain its applications.	Price elasticity, income elasticity and cross price elasticity of demand; co-efficient of elasticity.

c) Theory of production, costs, profit maximization and market structures (10%)

Focus	Content
State the differences between short run and long run in production.	Variable and fixed inputs (e.g. labour and capital) and short-run and long-run differences in production.
Determine the total, average and marginal product.	Total product, average product and marginal product (calculative and graphical presentations).
Illustrate the Law of Diminishing marginal returns.	Law of diminishing marginal returns.
Describe the stages of production in the short-run.	Three stages of production; rationale behind each stage; optimal stage of production in the short-run.
Explain isoquants and iso-costs.	Iso-quants and iso-costs (graphical presentation).

Explain the difference between short-run and long-run production cost and the conditions for profit maximization

The cost of production in short-run and long-run; determination of total, average and marginal costs with graphical illustrations.
Economies and diseconomies of scale and the optimal level of output.
Determination of the profit maximizing output level under total and marginal approaches (graphical illustrations).

Identify the characteristics of market structures.

The characteristics of market structures; perfect competition, monopoly, monopolistic competition and oligopoly. Profit maximizing output level under different structures (graphical illustrations).

D) Aspects of macroeconomics (15%)

Focus	Content
Identify the basic macroeconomic variables.	Introduction to basic macroeconomic variables viz. inflation, unemployment, economic growth, exchange rates.
Illustrate the relationships among variables.	Philips curve and relationships among macroeconomic variables.
Describe the circular flow diagram	Circular flow diagram in terms of the two-sector, three-sector and four-sector economies.
Compute national income using different approaches.	Illustrate the three main approaches to computing national income and ascertain the limitations of the computation of national income.
State the macro-economic objectives of the government.	Fiscal and monetary policies and government's macroeconomic objectives. Sri Lankan experience. Dynamics of an open economy and the government's policies used in the determination of exchange rate.

Learning Aids

Mandatory reading:

Study Pack on Economics 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Sloman, J & Wride, A, 2012, **Economics**, Prentice Hall, UK

Salvatore, D 2011, **Principles of Microeconomics**, International Version, Oxford

Mankiw, NG, 2013, **Macroeconomics McMillan**, New York

FL 4: QUANTITATIVE METHODS FOR BUSINESS (QMB)

Introduction

Quantitative analysis plays an important role in the day-to-day functions of a management accountant. The building blocks of quantitative analysis come from quantitative methods that encompass Business Mathematics, Statistics and Financial Mathematics. Quantitative Methods (QM) enable the management accountant to describe the numbers and trends pertaining to various disciplines ranging from management accounting, financial accounting and finance to taxation, marketing and strategy.

Thus, it is imperative for the management accountant to have a thorough understanding of the basic concepts, methods and techniques of quantitative methods and related competencies. The aim this course unit is to provide knowledge and selected skills in the area of QM. In addition to calculations, this unit also emphasizes on the interpretative aspects of quantitative methods arising from current advance in Information Technology.

Learning Outcomes

On successful completion of the course unit students will be able to:

- State the relevant concepts and principles;
- State when and how the concepts and methods of QM could be applied;
- Apply selected QM methods in real life situations and compute values; and
- Interpret the computed results.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Basic mathematics for business	25	23
B	Frequency distributions and presentation of data	30	27
D	Probability and sampling theory	20	18
E	Relationships and forecasting techniques	15	13
F	Introduction to Financial Mathematics	10	09
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, of 2 hour duration, will consist of 50 multiple choice/structured questions.

Contents

A) Basic mathematics for business (25%)

Focus	Content
Define relevant concepts of basic mathematics. Solve selected mathematical problems.	Laws of Algebra inclusive of indices, simplifying and factorizing; algebraic equations: simple, simultaneous and quadratic; algebraic functions (inclusive of exponential and logarithmic); mathematical calculations and graphing; arithmetic and geometric progression; simple and compound interest calculations; inequalities; differentiation: differential coefficient for the sum, product, quotient and function of function, second differential coefficient; maxima and minima; graphing of functions e.g. revenue, cost, profit graphs; basic integration.

B) Frequency distributions and presentation of data (30%)

Focus	Content
Describe different types of data.	Introduction to statistics in business; data vs. information; data: primary and secondary, grouped and ungrouped; nominal, ordinal and interval data.
Explain the concepts related to frequencies.	Discrete and continuous frequency distributions;
Apply the appropriate technique in different business situations.	histograms, frequency polygons and frequency distribution curves; [ogives?].
Compare and contrast measures of central tendency, dispersion, skewness.	Measures of central tendency (mean, quartiles, mode and geometric mean); dispersion (standard deviation, variance, range, inter-quartile range and coefficient of variation); and skewness (Pearson's coefficient),
Interpret the features of distributions using appropriate measures of central tendency and dispersion.	
Interpret computer printouts.	
Compare and contrast different data presentation techniques.	Data presentation techniques: tables, figures (graphs, charts, pictograms) and exhibits (diagrams).
Illustrate the use of data presentation techniques.	
Apply the appropriate data presentation techniques.	

C) Probability and sampling theory (20%)

Focus	Content
Describe the relevant concepts/ laws of probability. Apply laws and associated techniques of probability.	Approaches to probability; laws of addition and multiplication, mutually exclusive and independent events; use of simple tree diagrams; conditional, marginal and joint probabilities; Baye's theorem; expected values.

Describe the role of samples in understanding populations.	The population, the sampling frame and the sample;
Explain pitfalls in sampling.	methods of sampling (random, stratified, cluster, multi-stage and quota); sampling and non-sampling error; impact of sample size on accuracy (explained after introducing the normal curve).
.Compare and contrast different sampling methods.	
Describe how the optimal sample size varies with the size of the population.	
Describe the concepts and features of the normal curves.	The normal curve, student t curve and standard normal tables;
Solve simple problems involving the normal curve and the student t curve.	Simple applications of normal curve and the student t curve.

D) Relationships and forecasting techniques (15%)

Focus	Content
Describe the concept of association/ correlation.	Correlation between two variables; measures
Describe different types of correlation.	(scatter graphs, Pearson's coefficient and Spearman's coefficient); causation and spurious correlation; statistical significance.
Ascertain the degree of correlation and validity.	
Compute and interpret the regression equation.	Simple linear regression model (regression coefficients; coefficient of determination, standard error); interpolation vs. extrapolation; statistical significance; correlation and regression.
Estimate and comment on the error and the validity of the regression line and the coefficients.	
Interpret computer printouts.	

E) Introduction to financial mathematics (10%)

Focus	Content
Define the concepts and terms of time value of money	Concept of the time value of money: interest as an opportunity cost; future values; present values and annuities and perpetuities; nominal rates and real rates of interest; impact of inflation.
Explain interest payments as an opportunity cost.	
Compute the time value of money.	
Interpret the time value of money.	

Learning Aids

Mandatory reading:

Study Pack on Quantitative Methods for Business 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Keller, G, 2015, **Statistics for Management and Economics**, Cengage Learning, Stamford

Anderson, DR, Sweeney DJ & Williams TA 2012, **Quantitative Methods for Business**, South Western College Publishing, Singapore

FL 5: BUSINESS ENGLISH I (BE I)

Introduction

Proficiency in English is essential for the successful completion of any professional course of study as well as for efficient citizenship. Owing to a variety of reasons the majority of our students have difficulties with the correct use of the language. This foundation level course in Business English is designed to address this gap. It imparts a basic knowledge required for gaining proficiency in the areas of grammar, listening, speaking, reading and writing. An interactive approach is used in the delivery of this course unit and each session will cover of all four areas.

Those who follow this course unit have already been exposed to at least twelve years of English Language learning in their primary and secondary school. However, owing to personal and social reasons their understanding and use of the language are deficient. Given this background this course will serve as an intensive refresher course which will, if followed with diligence, enable a relatively weak student to attain a reasonable level of proficiency in the language. In addition, the better students will also gain value addition in relation to the correct use of the English Language in their personal and professional life.

Learning Outcomes

On successful completion of the course students will be able to:

- a. Construct and write simple, grammatically correct sentences;
- b. Read aloud/ silently and understand basic material of interest;
- c. Speak grammatically correct sentences; and
- d. Make simple oral presentations.

Syllabus Structure

The main topics covered in the syllabus and their weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Grammar	30	27
B	Listening and Speaking	20	18
D	Reading	20	18
E	Writing	30	27
Total		100	90

The course will cover about 90 student contact hours and each segment will be approximately proportionate to the weight assigned, which is an indicator of its relative importance within the syllabus.

Assessment

The test paper, of 2 hour duration, will consist of 50 multiple choice/ structured questions. The paper will test student's grammar, reading and writing skills only.

Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Grammar (30%)

Focus	Content
Distinguish among different components of a sentence and all parts of speech. Apply them in forming sentences.	The structure of a sentence: Recognizing verbs; recognizing subjects and objects of verbs; recognizing all parts of speech; recognizing phrases and subordinate clauses; recognizing main clauses and types of sentences.
Apply adjectives and adverbs in forming sentences.	Adjectives vs. Adverbs; Case: subjective, possessive and objective.
Illustrate the agreement between subject and verb and pronoun and antecedent. Apply them in forming sentences.	Agreement between subject and verb and pronoun and antecedent.
Illustrate the difference between tense, voice, conjugation and mood. Apply them in forming sentences.	Tense, voice, conjugation and mood: Tense forms: Present, past, future, present perfect, past perfect, future perfect, Voice: Active Voice and Passive Voice Conjugation of the verb Sequence of tenses Mood: Indicative, Imperative, Subjunctive

B) Listening and Speaking (20%)

Focus	Content
Demonstrate listening and understanding the spoken word.	Listen to and understand the spoken word; Listening and Dictation exercises.
Demonstrate remembering what is heard.	Remember what is heard - Concentration memory exercises.
Demonstrate listening and remembering the essence.	Listen for the general drift rather than every specific detail of a passage -.Listening Comprehension exercises.
Demonstrate listening and taking down notes.	Take down notes of a lecture or oral presentation - Listening to an oral presentation by the teacher or a tape recording.
Demonstrate the use of English for social interaction in different situations.	Use English for social interaction: greeting, bidding goodbye, introducing, making requests, instructing, suggesting, inviting, appreciating, refusing, complaining, persuading, expressing emotions, promising, apologizing, agreeing, disagreeing, etc. dialogues, role play, conversations, simulation, Situations, etc.

C) Reading (20%)

Focus	Content
Distinguish among different types of reading. Demonstrate reading skills for different purposes.	Exercises to develop the students' reading skills for different purposes. Scanning to select specific items of information in a passage. Skimming to select the most important points in a passage. Reading to gain a full understanding of everything in a passage. Reading to make a critical evaluation of a passage.

D) Writing (30%)

Focus	Content
Describe the roles of different components of a passage. Demonstrate writing passages for different purposes.	Write passages with a beginning, middle and end on selected themes according to the following styles: description, narration, explanation, analysis, argument, description of a process, description of a problem.

Learning Aids

Mandatory reading:

Study Pack on Business English 1 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Integrated Course in English for the Advanced Level 2012, National Institute of Education (NIE) 2012, Maharagama
Stannard A 2014, **Living English Structure**, Orient Longman, New Delhi

CMA STUDY PROGRAMME
LEVEL 2 - OPERATIONAL



Code	Title	Status
OL 1	Management Accounting	Core
OL 2	Advanced Financial Accounting (70%) & Finance (30%)	Core
OL 3	Managing Business Operations (Operations Management (40%), People Management (30%) & Marketing (30%))	Core
OL 4	Business Law (50%) & Taxation (50%)	Supportive
OL 5	Business English II	Skill
OL 6	Information Technology Applications	Skill

OL 1: MANAGEMENT ACCOUNTING (MA)

Introduction

The objective of this course unit is to develop students' knowledge of and skills in management accounting beyond the introductory course unit to advanced course units. Hence, this course is an intermediate course unit between FL 1: Management Accounting Fundamentals in the Foundation Level and ML 1: Advanced Management Accounting in the Managerial Level. The course furthers the students' knowledge and skill base pertaining to management accounting concepts and techniques in planning, decision making, and control functions while exposing them to developments taking place in the current dynamic global business environment.

Learning Outcomes

At the end of this course, the students will be able to:

- Discuss major developments in the management accounting profession;
- Discuss further aspects of costing methods and systems;
- Apply management accounting tools and techniques in planning, decision making, and control processes; and
- Evaluate the use of new developments in/for management accounting in the contemporary business environment.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of management profession	05	05
B	Further aspects of costing methods/systems	25	22
C	Management accounting information for decision making	30	27
D	Managerial planning and control	30	27
E	New developments in management accounting	10	09
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition will be of three hour duration.

Part I (40 marks): Consists of around twenty five multiple choice/ structured questions to be answered in one hour.

Part II (60 marks): Consists of 4 compulsory questions all carrying equal marks. Within a question/s, however, there may be choice of sub-parts for the student to select from.

Contents

A) Overview of management accounting profession (05%)

Focus	Content
Discuss the major developments in management accounting and management accounting profession.	Historical account of management accounting (origins of cost management systems, scientific management movement, shift from cost management to cost accounting to management accounting); Contemporary status of the global management accounting profession.

B) Further aspects of costing methods/systems (25%)

Focus	Content
Review classification of costs.	Classification of costs; cost estimation of linear and non-linear cost functions; limitations of cost estimation; other factors to consider in cost estimation (e.g. inflation, seasonal factors, forex movements, etc).
Estimate the cost using linear and non-linear cost functions.	
Discuss limitations and other factors to consider in cost estimation.	
Discuss further aspects of process costing.	Losses in production (normal and abnormal); opening and ending work in progress of incomplete units (weighted average and FIFO methods).
Discuss joint and by-product costing.	Different methods of cost allocation in joint product costing (sales value method, proxy sales value method, physical output method and their computation); joint process accounts with by-products, waste and toxic.
Prepare joint process accounts with by- products, waste and toxic.	
Explain Activity Based Costing (ABC).	Broad averaging and its consequences (under-costing and over-costing, product cost cross-subsidization); guidelines for refining a costing system; activity based costing systems vs. traditional costing systems.
Compute the cost of cost objects using an ABC system.	
Compare and contrast ABC with traditional costing.	

C) Management accounting information for decision making (30%)

Focus	Content
Explain further aspects of Cost-Volume-Profit (CVP) analysis.	A mathematical approach to CVP analysis; multi-product CVP analysis; multi product BEP chart and PV chart; differences between the accountant's and the economist's model of CVP analysis.
Prepare multi product BEP charts.	
Compare and contrast accountant's and economist's model of CVP analysis.	

Discuss special decision making situations applicable for various circumstances.	Special pricing decisions (minimum pricing decisions); replacement of equipment; outsourcing and make or buy decisions; discontinuation decisions; joint product decisions (common process viability and further processing decisions); relevance of qualitative information in decision making.
Explain the importance of qualitative factors in decision making.	
Identify the major influences on pricing decisions.	The role of cost information in pricing decisions;
Distinguish between short-term and long-term pricing decisions.	pricing decisions: short-run, long-run, short-run product-mix, and long-run product-mix; pricing methods (cost-plus, market based, and ABC and their computations).
Apply various pricing methods.	
Discuss further aspects of product-mix decisions when capacity constraints exit.	Limiting factor analysis with minimum demand constraint; shadow price; make or buy decisions with limiting factor analysis; assumptions of limiting factor analysis.
Describe the Learning Curve Theory.	Overview of the learning curve; developing the learning curve (graphical method, algebraic method and formula method); applications of learning curve theory (pricing, costing, budgeting and cost control).
Apply different methods to develop the learning curve.	
Explain the relevance of learning curve effect management accounting.	

D) Managerial planning and control (30%)

Focus	Content
Prepare functional budgets and master budgets.	Preparation of functional budgets and deriving the master budgets.
Describe alternative methods of budgeting.	Different approaches to budgeting (activity-based budgeting, zero-based budgeting, incremental budgeting, programme budgeting and Kaizen budgeting);
Explain budgetary control and variances.	Budgetary control and variances (budgetary control system, fixed and flexed budgets, single loop and double loop controls systems, feedback and feed-forward control system);
Discuss the managerial issues arising from the use of budgets in control.	Behavioral implications (participative, imposed and negotiated styles to budgeting, incidence of budgetary slack and empire building).

Interpret further aspects of variances with supportive calculations.

Evaluate the use of standard costing and variance analysis in modern times.

Advanced variance analysis (mix and yield/quantity, market share and mix); reconciling actual profit and budgeted profit in marginal and absorption costing methods; planning and operational variances; variance investigation, advantages of variance analysis; criticisms of standard costing; recent developments in standard costing.

E) New developments in management accounting (10%)

Focus	Content
Describe selected new developments in management accounting practice.	Advanced manufacturing environments; Material Requirements Planning (MRP I); Manufacturing Resource Planning (MRP II); Enterprise Resources Planning (ERP); Computer Aided Manufacturing (CAM); Computer Aided Designing (CAD); Computer Integrated Manufacturing (CIM); Flexible Manufacturing Systems (FMS); Electronic Data Interchange (EDI); Total Quality Management (TQM); Just-In-Time systems; lean production; EMA.

Learning Aids

Mandatory reading:

Study Pack on Management Accounting 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Drury, C 2015, **Cost and Management Accounting**, Cenagage Learning, Delhi

Hornngren, C 2013, **Introduction to Management Accounting**, Prentice Hall, London

OL2: ADVANCED FINANCIAL ACCOUNTING & FINANCE (AFF)

This course unit is divided into two sections: Advanced Financial Accounting (70%) and Finance (30%).

Assessment

The test paper will be of three hours' duration and consist of:

Part I (40 marks): Around twenty-five multiple choice/ structured questions that require short answers in the proportion of Advanced Financial Accounting (70%) and Finance (30%) to be answered in one hour.

Part II (60 marks): Four compulsory questions (three on Advanced Financial Accounting and one on Finance), all carrying equal marks. Within a question/s, however, there may be a choice of sub-parts for students to select from.

Advanced Financial Accounting (70%)

Introduction

This is the second course unit in the financial accounting and finance stream and picks up from where FL2: Financial Accounting course ends. The objective of this course is to develop in students an understanding of advanced theoretical concepts and techniques of financial accounting focusing on the preparation and presentation of financial statements of corporate entities. It introduces the conceptual framework for financial reporting and proceeds to the preparation and presentation of financial statements of companies for the purpose of publication in compliance with relevant Sri Lanka Accounting Standards (LKASs and SLFRSs).

Learning Outcomes

On successful completion of the course unit, students will be able to:

- a. Apply the conceptual framework for the financial reporting;
- b. Prepare financial statements of companies for the purpose of publication;
- c. Apply the relevant accounting treatment on assets and liabilities in the preparation and presentation of financial statements; and
- d. Apply the relevant accounting treatment on revenue and taxes in the preparation and presentation of financial statements.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	A conceptual framework for financial accounting	10	09
B	Preparation of financial statements for companies	30	27
C	Accounting for assets and liabilities	20	18
D	Accounting for revenue and taxes	10	09
Total		70	63

The contents are to be covered in about 63 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) A conceptual framework of accounting (10%)

Focus	Content
Describe the elements of the conceptual framework for financial reporting.	Purpose of a conceptual framework; IASB framework for financial reporting: objectives; underlying assumptions; qualitative characteristics; elements; recognition and measurement of elements.
Discuss its relevance to financial accounting.	Advantages and limitation of conceptual framework.
Define the elements of financial statements.	Asset, liability, equity, income and expense as per the conceptual framework for financial reporting.

B) Preparation of financial statements for companies (30%)

Focus	Content
Compare and contrast a limited liability company with a sole proprietorship and a partnership.	Characteristics of a limited liability company.
Explain the sources of funds available to companies.	Sources of capital: share capital (ordinary shares and preference shares), reserves, debt capital (debentures and other corporate bonds); share issues (public issue, rights issue, capitalization of reserves).
Describe the structure, components and elements of financial statements.	Preparation and presentation of the financial statements (LKAS 01).
Prepare financial statements of a company for publication.	Statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and cash flow statement (direct method and indirect method) (LKAS 07); notes to the financial statements.

Illustrate the accounting treatment for accounting policies, changes in accounting estimates and errors.

Accounting policies, changes in accounting estimates and errors (LKAS 08).

Apply the accounting treatment for events after the reporting period.

Events after the reporting period (LKAS 10).

C) Accounting for assets and liabilities (20%)

Focus	Content
Apply the accounting treatment on inventories.	Inventories (LKAS 02): Definitions, measurement of inventories, cost formulas, disclosures.
Apply the accounting treatment on property, plant and equipment.	Property, plant and equipment (LKAS16 18): Definitions, recognition and measurement-cost model and revaluation model, depreciation, disclosures.
Apply the accounting treatment on intangible assets.	Intangible assets (LKAS 38): definitions, recognition and initial measurement, measurement subsequent to initial recognition, amortization, disclosures.
Apply the accounting treatment on impairment of assets.	Impairment of assets (LKAS 36): definitions, recognition and measurement of impairment loss, disclosures.
Apply the accounting treatment on borrowing costs.	Borrowing cost (LKAS 23): definitions, capitalization of borrowing cost, disclosures.
Apply the accounting treatment for leases.	Finance lease vs. operating lease; accounting for finance leases (in the books of lessee and lessor); accounting for operating leases (in the books of lessee and lessor); sale and leaseback (LKAS17).
Apply the accounting treatment on provisions, contingent liabilities and contingent assets.	Provisions; contingent liabilities and contingent assets (LKAS 37): definitions, recognition and disclosures of provisions, contingent liabilities and contingent assets.

D) Accounting for revenue and taxes (10%)

Focus	Content
Discuss the criteria to be satisfied to recognize revenue from sale of good and rendering of services.	Definitions, measurement of revenue, identification of revenue from sales of goods, rendering of services, disclosures (LKAS 18).
Discuss the criteria to be satisfied to recognize revenue from interest, dividend and royalties.	Identification of revenue from interest, royalties, and, dividend, disclosures (LKAS 18).
Explain the difference between accounting profit and tax profit.	Definitions, accounting profit vs. tax profit (LKAS 12).
Distinguish between the taxable temporary difference and deductible temporary differences.	Definitions, taxable temporary differences vs. deductible temporary differences (LKAS 12).

Compute deferred tax assets and deferred tax liabilities.

Definitions, recognition of recognition of differed tax liabilities and differed tax assets, disclosures (LKAS 12).

Learning Aids

Mandatory reading:

Study Pack on Advanced Financial Accounting 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Leo K, Knapp J, McGowan S and Sweating J 2016, **Company Accounting**, John Wiley & Sons, Australia

Hoyle, JB Schaefer, TF and Dunk, TS 2015, **Fundamentals of Advanced Accounting**, McGraw-Hill, Irwin

Finance (30%)

Introduction

This intermediate level finance course begins at the point where FL 1: Fundamentals in Finance level ends and will be continued under SL 2: Financial Strategy and Policy. The focus of this unit will be on two critical areas in the field of finance, viz., capital budgeting and working capital management, which are essential for a management accountant for decision making in the face of the changing environment. Thus, this unit is aimed to make students conversant with these two important areas in finance while enabling them to support other managerial functions.

Learning Outcomes

On successful completion of the course unit the student will be able to:

- Apply capital budgeting decision making techniques;
- Evaluate capital budgeting decisions;
- Explain the importance of working capital management for an organization; and
- Ascertain the working capital requirements for an organization.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Capital budgeting decisions	20	18
B	Working capital management	10	09
Total		30	27

The contents are to be covered in about 27 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Capital budgeting decisions (20%)

Focus	Content
Describe the capital budgeting process and its importance.	Importance and types of capital budgeting decisions; capital budgeting process.
Apply various techniques to evaluate capital budgeting decisions.	Types of cash flows; non- discounted cash flow methods (payback method, accounting rate of return); discounted cash flow methods [discounted payback method, net present value (NPV) method, internal rate of return (IRR), modified internal rate of return (MIRR)].
Analyze the risk in capital budgeting decisions.	Capital budgeting under conditions of risk (sensitivity analysis, decision trees, scenario analysis).

B) Working capital management (10%)

Focus	Content
Explain the overview of working capital management and associated measures.	Nature of working capital investments; the operating cycle and the cash cycle; short-term financing policy.
Explain the management of cash, receivables and payables.	Reasons for holding cash; determining target cash balance; cash float; managing the collection and disbursement of cash; managing short-term cash deficit and surplus; receivables and payables management.
Apply management of cash, receivables and payables.	
Discuss inventory management.	Inventory policy; management of cost relating to inventory; modern inventory management methods.
Explain different working capital financing policies.	Aggressive policy; conservative policy; moderate policy.

Learning Aids

Mandatory reading:

Study Pack on Finance 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Ross, SA, Westerfield, RW & Jaffe, J 2012, **Corporate Finance**, McGraw-Hill, NY

Brigham, EF & Houston, JF 2013, **Fundamentals of Financial Management**, South-Western Cengage Learning.

Mason, OH: US

OL 3: MANAGING BUSINESS OPERATIONS (MBO)

This course unit is divided into three sections: Operations Management (40%); Marketing (30%); and People Management (30%).

Assessment

The test paper will be of three-hours' duration and consist of the following:

Part I (40 marks): Around twenty-five multiple choice/ structured questions that require short answers on all three areas on a pro-rata basis to be answered in one hour.

Part II (60 marks): Four compulsory questions (two on Operations Management, one on Marketing and one on People Management), all carrying equal marks. Within a question/s, however, there will be a choice of sub-parts for students to select from.

Operations Management (40%)

Introduction

Operations Management (OM) is concerned with the management of processes that transform inputs (resources into outputs (goods and services) for the benefit of consumers. Since it is vital to respond to consumers and market requirements speedily, at a low cost and with high quality, operations play a major role in increasing the market share of organizations. In a competitive market, effective and efficient operations can provide an organization with a major competitive advantage. The objective of this course is to provide students with an understanding of concepts, issues and tools of OM in manufacturing and service organizations. The topics covered include operations strategy, processes, capacity, forecasting, location, layout, quality management, lean concepts and supply chain management.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Define key terms and related concepts in OM;
- Identify the role and responsibilities of operations managers in different organizational contexts;
- Describe the processes and tools of OM; and
- Analyze business problems by using OM techniques

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Operations function and strategy	10	09
B	Designing operations	15	14
C	Managing operations	15	13
Total		40	36

The contents are to be covered in about 36 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Operations function and strategy (10%)

Focus	Content
Present an overview of OM.	OM; systems view of operations management;
Distinguish between goods and services.	functions performed by operations managers;
Explain the functions of operations managers and their linkages with other functional areas.	relationship to other functional areas; conversion process; differences between goods and services;
Discuss the new challenges in OM.	new challenges in operations management due to globalization, advancements in technology etc. Need to be concerned about the environment.
Discuss the importance of being environment friendly.	
Describe the role of operations strategy.	The role of operations strategy; developing an operations strategy; competitive priorities; order winners and order qualifiers.
Discuss the development of an operations strategy.	
Identify competitive priorities.	
Distinguish between order winners and order qualifiers.	
Define the concepts and measures of productivity.	Productivity; computation of productivity; multi-factor productivity; comparison of productivity; improving productivity.
Compare and contrast productivity measures.	
Discuss ways of improving productivity.	

B) Designing operations (15%)

Focus	Content
Describe different processes used by business organizations.	Different types of processes - project, batch, mass and continuous; comparison of characteristics of different processes.
Compare and contrast the different processes.	
Discuss the quantitative forecasting techniques.	Components of a time series- trend, seasonal variations, cyclical variations and random variations; quantitative forecasting methods - simple average, moving average and exponential smoothing;
Discuss qualitative forecasting techniques.	qualitative forecasting methods - Delphi method, Nominal Group method.
Define the concepts of capacity.	Concept of capacity; design capacity; effective capacity and actual capacity; measures of operations capacity; short term capacity modifying strategies;
Describe role of capacity and measures.	long term capacity modifying strategies; use of break-even analysis for capacity decisions.
Explain operations capacity modifying strategies.	
Discuss how to use break-even analysis in capacity decisions.	

Discuss the determinants of location of a plant.	Factors affecting plant location decisions; methods of evaluating location alternatives (factor-rating method, location break-even analysis); service location strategy.
Discuss methods of evaluating location alternatives.	
State the plant layout decision.	Objectives of facility layout; basic layout types (process layouts, product layouts, fixed-position layout); facility layouts for services.
Describe the facility layout types.	
Discuss appropriate facility layout for services.	

C) Managing operations (15%)

Focus	Content
Define the concepts of quality.	Defining quality; dimensions of quality for goods;
Describe the attributes of quality for goods and services.	service quality attributes; costs of quality (internal failure, external failure, appraisal and prevention and implications); Total Quality Management (TQM) – philosophy/ definition, principles and implementation aspects (problems included); ISO 9000; Sri Lanka Standards (SLS).
Discuss the costs of quality and implications.	
Discuss the different facets of TQM.	
Discuss briefly the quality standards.	
Describe the philosophy, purpose of JIT.	Push vs. Pull systems; aggregate planning; MRPI; MRPII.
Compare and contrast push and pull systems.	
Describe the role of inventory reduction and implications.	Just-in-Time and lean production principles and techniques; types of waste; role of inventory reduction; uniform plant loading; employee empowerment; 5 S concept.
Explain the uniform plant loading concept.	
Discuss the concept and application of employee empowerment.	
Discuss 5 S concepts.	
Define the concept, process and components of Supply Chain Management (SCM).	SCM; SCM strategies: outsourcing, vertical integration, Keiretsu networks, virtual companies; SCM software.
Discuss SCM strategies.	
Describe the role of SCM software.	

Learning Aids

Mandatory reading:

Study Pack on Managing Business Operations 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Russell RS & Taylor BW 2010, **Operations Management: Creating Value along the Supply Chain**, John Wiley and Sons, Inc, Hoboken, NJ

Chase, RB, Jacobs, FR & Aquilano NJ 2006, **Operations Management for Competitive Advantage**, Tata McGraw-Hill, New Delhi

Marketing (30%)

Introduction

Marketing, as one of the core functions of managing business operations, includes the prime task of identifying, creating and maintaining a viable fit between market-place opportunities and the organization. This Operational Level course unit is designed to create awareness and understanding of the basic theoretical concepts, role, scope and the process of marketing. It will broaden student's knowledge of the practice of marketing with emphasis on the Sri Lankan context. As customer satisfaction and sustainable relationships with stakeholders are of immense value, a management accountant should be in a position to shoulder the key organizational responsibility as 'information manager/coordinator' for inculcating the marketing philosophy within the organization.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Define the core concepts, roles, scope, and the process of marketing;
- Identify marketing opportunities encompassing customers and competitors;
- Describe segmenting, targeting and positioning strategies; and
- Develop and manage a simple marketing programme

Syllabus structure

The main topics covered in the syllabus and their relative weights are as follows:

Segment	Topic	Weight (%)	Time (hrs.)
A	Core concepts, roles, scope, orientations and the process of marketing	10	09
B	Analyzing and identifying marketing opportunities	05	03
D	Developing and managing marketing programs	15	15
Total		30	27

The contents are to be covered in about 27 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Core concepts, roles, scope, orientations and process of marketing (10%)

Focus	Content
Describe the scope and roles of marketing.	Marketing for everybody; marketing in not-for-profit organizations (e.g. charities, non-governmental organizations, and the public sector); for individuals; Marketing in different contexts: social marketing; consumer marketing; services marketing; direct marketing; interactive marketing; e-marketing; internal marketing and experiential marketing within business to business (B2B) and business to consumer (B2C) contexts. Marketing roles: as a philosophy, a management function and a skill; role in the society.
Explain the core marketing concepts.	Core concepts of marketing: customer needs, wants and demand; customer value and satisfaction; exchange; relationships and networks and markets.
Describe orientations toward market place of a company.	Company orientations at the market place: production, product, selling, marketing, societal (Corporate Social Responsibility) and holistic marketing orientation.
Explain the marketing management process.	Marketplace and customer needs and wants; design of a customer-driven marketing strategy; integrated marketing program that delivers superior value ; building profitable relationships and creating customer; capturing value from customers to create profits and customer equity.

B) Analyzing and identifying marketing opportunities (05%)

Focus	Content
Describe the Marketing environment.	Marketing environment, marketing information system, consumer and competitor analysis.

C) Developing and managing the marketing programs (15%)

Focus	Content
Describe the content of a marketing programme.	Composition of a marketing programme and its preparation.
Discuss market segmenting, targeting and positioning strategies.	Segmenting (segmentation criteria, segmentation process), targeting (targeting strategies, targeting process), and positioning strategies (dimensions, positioning process).
Develop marketing strategies for a selected product.	The marketing mix (4 Ps/7Ps) strategies. Product, pricing, distribution and promotional strategy; Extended marketing mix: people, processes and physical evidence
Discuss the implementation and control aspects of marketing programme and inter-linkages with other functions.	Inter-relationship with other functions in the organization to implement and control the marketing programme.

Learning Aids

Mandatory reading:

Study Pack on Managing Business Operations 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Kotler, A & Agnohotri, H 2014, **Principles of Marketing: a South Asian Perspective**, Prentice Hall, India

Kilter, Keller, B, Koshy H and Jha, BW, 2015 **Marketing Management: a South Asian Perspective**, Prentice Hall, India

People Management (30%)

Introduction

Organizational success is strongly linked to top level awareness of the importance of people management practices. Managing people encompasses a broad range of challenges including how to attract the right people, maintain employment relationship to the satisfaction of both parties, and terminate employment relationship. Each requires an in-depth knowledge about work practices, motivation factors and how the organization develops appropriate policies, processes and procedures in order to achieve organization's goals in an effective and efficient manner. As such, the aim of this Managerial Level course unit is to explore the optimal ways to manage people in an organization.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- a. Explain differences among individuals and specify how to manage people in the workplace;
- b. Describe basic human resource management functions;
- c. Describe the salient legal provisions pertaining to employment of people; and
- d. Apply knowledge and techniques of managing people in the work place;

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Differences among people and driving for excellence	07	06
B	Human resource management	15	14
D	Aspects of employment law	08	07
Total		30	27

The contents are to be covered in about 27 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Differences among people and driving for excellence (07%)

Focus	Content
Discuss what make people different and how to manage them.	Demographic factors and individual differences; personality; ability; learning.
Describe how to manage different generations.	Different generations and their work values.
Describe what leads to excellent performance.	Fundamental formula for performance; how needs and motivation interrelate.
Discuss motivational theories and their applicability for high performance.	Classical and operant conditioning.

B) Human resource management (15%)

Focus	Content
Describe the HRM process.	Introduction to HRM; human resource planning.
Differentiate among salient job related terms.	Job analysis; job design; job description; person specification.
Describe ways and means of recruitment and selection.	Recruitment methods; the selection process and techniques for selection (e.g. interviews, assessment centers; intelligence tests, skill tests, aptitude tests, and psychometric tests); norms for selection criteria (reliability, validity, fairness and cost effectiveness);
Compare and contrast different methods of recruitment.	
Describe methods of orientation, training and development.	Introducing new hires to the organization: design and implementation of induction programs; employee training cycle; career planning.
Differentiate between performance management and performance appraisal;	Performance management and performance appraisal; main methods of performance appraisal;
Discuss performance appraisal techniques.	managing performance appraisal systems; relationship to reward systems; issues in performance appraisal management.
Discuss principles and methods of remuneration.	Reward systems via direct (tangible) and indirect (intangible) methods; criteria for determination of pay levels, equity issues in remuneration; meaning of employee benefits; characteristics of incentive and bonus schemes. .

C) Aspects of employment law (08%)

Focus	Content
Discuss contract of employment.	Contract of employment; termination of the contracts.

Discuss the importance and application of main labor statutes and rules.	Shop and Office Employees Act; Wages Boards Ordinance; Maternity Benefits Ordinance; ETF; EPF; Payment of Gratuity.
Specify the remedies available to employees.	Conciliation; arbitration; labour tribunals; labour courts.
Discuss salient aspects of occupational health and safety in employment law.	Labor laws covering occupational health and safety.

Learning Aids

Mandatory reading:

Study Pack on Managing Business Operations 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Armstrong, M 2014, **A Handbook of Human Resource Management**, Kogan Page, London

Adikaram, AS 2012, **Labour Law and Relations: A Human Resource Management Approach**, Stamford Lake, Colombo

OL 4: BUSINESS LAW & TAXATION (BLT)

This course unit is divided into two sections: Business Law (50%) and Taxation (50%).

Assessment

The test paper will consist of two segments: Business Law and Taxation, each of two-hour duration, consisting of the following:

Business Law (50%)

Part I (10 marks): Around ten multiple choice/ structured questions that require short answers.

Part II (40 marks): Two compulsory questions. Within a question/s, however, there may be a choice of sub-parts for the student to select from.

Taxation (50%)

Part I (10 marks): Around ten multiple choice/ structured questions that require short answers.

Part II (40 marks): Two compulsory questions. Within a question/s, however, there may be a choice of sub-parts for the student to select from.

There will be a short break between the two papers.

Business Law (50%)

Introduction

This course unit provides the students with the fundamental principles of Business Law. Businesses and financial institutions are subject to laws, regulations and standards, many of which are specific to their industries, products and markets. This course gives special attention to the law of obligations, which lies at the heart of any system of law and serves as the foundation of the entire society. The Business Law unit provides students with an introduction to law and the judicial system, contract law, negotiable instruments, the environment and pollution control, and current developments.

Learning Outcomes

At the end of this course, students will be able to:

- a. Identify the general principles, laws and regulations of business law;
- b. Explain different types of contract and their consequences;
- c. Apply the knowledge and skills related to law in simple situations;
- d. Identify payment methods in business; and
- e. Describe criminal law in relation to business.

Syllabus structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Introduction to the law and the judicial system	05	06
B	Law of obligations	35	42
C	Negotiable instruments	05	06
D	Criminal law and current developments relating to business	05	06
Total		50	60

The contents are to be covered in about 60 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Introduction to the law and the judicial system (05%)

Focus	Content
Identify the essential elements of Sri Lankan legal systems including the main sources of law.	Definition of law; general classification of legal subjects; legal system of Sri Lanka; the court system;
Identify the relationship between the different branches of the state's constitution.	sources of business law; the constitution and the business.
Describe the powers, function and procedures of the court system of Sri Lanka.	

Law of obligations (35%)

Law of contract (10%)	
Focus	Content
Define agreement, contract and basic elements of a contract.	Definition and importance of contract law; Formation of a contract: (the agreement, the contract, elements of a contract); offer vs. invitation to treat.
Discuss the rules for creating contractual relations.	Operation of a contract: (terms of a contract, conditions, warranty, fundamental obligations, illegal contracts).
Discuss basic requirements of a general contract	Termination of a contract: (by performance, by agreement, by breach of contract, by frustration).
Compare and contrast various ways in which a contract is discharged.	Remedies.
Describe the remedies available for breach of contract.	What are torts? torts, contracts and criminal law;
Discuss tortious liability.	Important torts in business; tort of negligence
Identify tortious liability in practical scenarios.	

Sale of goods contracts (05%)**Focus**

Discuss sale of goods contracts.
Explain implied condition and warranties.

Content

Definitions of sales contract; sale and other supply contracts; formation of a contract of sale; passing of property; transfer of title by non-owner; implied terms and conditions; exception clauses; remedies of a seller/buyer.

International trade law (05%)**Focus**

Discuss International Trade Law.
Explain different contract and payment methods.

Content

Definition of international trade; international sale of goods; international sales contract, e.g. IF, FOB; different methods of payment in international trade (letter of credit, bills of exchange, open account, payments in advance, e-payment); Professional negligence.

Agency law (05%)**Focus**

Discuss agency law. Identify how to create agency relationship. Explain duties of agent and principal

Content

Formation of agency contract; categories of agents; powers of attorney; contracts made by agents; rights and duties of principal and agent; termination of agency.

Partnerships/joint ventures (05%)**Focus**

Discuss laws related to partnerships/joint ventures.

Content

Creations of partnership; relations of partners; rights and duties of partners; dissolution of partnership, joint ventures.

Insurance law, lease and hire purchase (05%)**Focus**

Discuss the importance and application of the Insurance Law.
Distinguish between a contract of sale and hire purchase/lease contract.
Describe the features of hire purchase agreement and lease contract.
State the remedies available to lesser and lessee.

Content

Importance of insurance; definition and explanation of insurance contract; classification of insurance; insurable interest, utmost good faith, material facts, non-disclosure;
Meaning of leasing and hire-purchase; benefits of leasing; different types of leasing; Leasing Act; hire-purchase and other sales contract; rights of the owner; Consumer Credit Act.

B) Negotiable instruments (05%)

Focus	Content
Define bills of exchange.	Bills of exchange (bill of exchange, cheques,
Explain the operation of bills of Exchange.	promissory notes); characteristic of a bill of exchange;
Distinguish between cheques and other bills.	acceptance; transfer of bills of exchange, holder in
Describe the impact of acceptance, crossing and endorsement;	due course; endorsements; discharge of a bill.
Specify the ways in which a bill can be discharged.	

C) Criminal law and current developments relating to business (05%)

Focus	Content
Discuss the importance of an environment friendly business.	Provisions under Common Law; provisions under National Environment Act (inclusive of CEA);
Identify main provisions of National Environment Act.	other statutory laws (Land Acquisitions Act, Forest Ordinance, Coast Conservation Act, Nuisance Ordinance Urban Councils Ordinance etc.); definition of environmental terms, EIA); environmental approval of projects.
Specify and describe environment laws affecting business.	
Describe the requirements of CEA.	
Identify recent commercial statutes.	Consumer Affairs Authority Act of 2003; Intellectual Property Act No.36 of 2003; Computer Crime Act No.24 of 2007; Electronic Transaction Act No.19 of 2006, Money laundering Act and other legislation of relevance to E-Commerce.
Discuss key features of the new developments in Commercial Law.	

Learning Aids

Mandatory reading:

Study Pack on Business Law 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Weerasooria, W 2009, **A Text Book of Commercial Law (Business Law)**, PIM Publication, Colombo

Weeramantri CG 2008, **Contract Law, Volume I and II**, Stamford Lake, Colombo

Taxation (50%)

Introduction

This course aims to provide students with an elementary understanding of the subject and to develop technical knowledge and application skills relating to taxation. The course will mainly focus on the fundamentals applicable to ascertaining the income tax liability of persons including individuals, companies and partnerships and a basic understanding of Value Added Tax (VAT). Finally, tax administration procedures related to returns and assessments, appeals, payments and recoveries generally required by persons are explained.

The taxation course unit OL 4: Business Law & Taxation (BLT) provides a basic understanding of aspects of taxation which will be developed further and elaborated on under ML 4: Corporate Law & Advanced Taxation (CLT). The cut off points between the contents of the course units OL 4: Taxation and ML 4: Advanced Taxation will be distinctly evident in the course manuals provided by the Institute.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Describe the economic and social impact of taxation in an economy;
- Explain the statutory income sources and the method of ascertainment;
- Apply the income tax law into practical situations and to identify the tax liabilities; and
- Discuss the tax administration procedures.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of the income tax system	05	03
B	Sources of income tax	20	24
C	Income tax liability of individuals, companies and partnerships	17	23
D	Value Added Tax	03	04
E	Tax administration system	05	06
Total		50	60

The contents are to be covered in about 60 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Overview of the income tax system (05%)

Focus	Content
Discuss the rationale of levying income tax and the principles of income tax.	Economic and social functions of taxation. Rationale of levying income tax; principles of income tax such as equity, progressivity, simplicity and stability etc.
Describe the tax system and the major taxes in Sri Lanka:	Major tax authorities and their functions. (Department of Inland Revenue, Sri Lanka Customs, Department of Excise and etc.) Income Tax, Value-added Tax (VAT), Nation Building Tax (NBT), Economic Service Charge, Stamp Duty, Share Transfer Levy, Excise Duty and Taxes on Imports. (A brief overview only)
Describe the charging section, and the imposition of tax.	Charging section relating to the imposition of income tax.
Define and interpret the terms.	Interpretations and definitions of a 'person,' child, year of assessment, profits and income, agent, Statutory, assessable and taxable income etc.
Explain the residence principle.	Residence principle of an individual and a company or body of persons.

B) Sources of income tax (20%)

Focus	Content
<i>Profits from employment:</i> Identify categories of profits from employment. Apply PAYE tax and the basis of liability. Compute employment income. State the exemptions from employment.	Categories of employment income including cash and non-cash benefits; value of conveyance; rental value of residence; retirement benefits and basis of liability; PAYE (Pay-As-You-Earn) deduction; exemptions from employment income.
<i>Income from property:</i> Identify sources of income from property. Compute NAV and rent income. Compute occupier's income Eligibility for exemptions.	Sources of income from property; Net Annual Value (NAV) from property owned and occupied; rent income from property rented; income from renting furnished houses; occupier's income; exemptions of NAV and rent income.

Interest income:

Identify sources of interest.
 Compute interest income.
 Explain operation of withholding tax system.
 Identify exemptions to interest income.

Sources of interest and exemptions to interest income; operation of withholding tax on interest and tax credits.

Dividend income:

Identify sources of income associated with dividends.
 Compute income from dividends.
 Identify the eligibility for exemptions.

Dividends, exempt dividends, withholding tax on dividends and tax credits: deemed dividend tax.

Ascertainment of profits and income:

Define the terms.
 Identify allowable expenses and disallowable expenses.
 Apply exemptions.

Trade, business, profession or vocation, allowable expenses and disallowable expenses: capital allowances; general rules and principles in computing capital allowances; application of capital allowances in disposal with or without replacement, treatment of assets leased.

Describe the treatment for other income sources.

Income from any other sources such as winnings from a lottery, betting or gambling etc.

C) Income tax liability of individuals, companies and partnerships (15%)

Focus	Content
Compute statutory income of an individual. State rules relating to aggregating a child's income to the statutory income of a parent. Define assessable income. Compute allowable deductions. Compute assessable income. Define taxable income. Compute allowable deductions. Compute taxable income. Compute the final tax liability/refund.	Aggregation of income from all sources to arrive at statutory income; rules relating to aggregating a child's income to the statutory income of a parent. Assessable income; allowable deductions from statutory income including rules of deduction of losses from statutory income. Deductions from assessable income including qualifying payments and tax free allowances, ascertainment of taxable income. Application of personal income tax rates and computation of final tax liability; tax credits available.
Identify the different companies. Compute statutory income of a resident company. Compute assessable income of a resident company. Compute the income tax liability of resident company.	Definitions and classifications of resident and non-resident companies; aggregation of income from all sources to arrive at statutory income; allowable deductions from statutory income including rules of deduction of losses from statutory income; deductions from assessable income including qualifying payments applicable to a resident company in general; income tax rates; final tax liability; tax on dividend distribute.

Compute the tax liability of a partnership.
Compute the final tax liability of each partner.

Divisible profits/loss of a partnership, tax liability thereon and distribution among the partners; tax liability of each partner considering the relevant adjustments.

D) Introduction to indirect taxes (05%)

Identify the basis of VAT.
Describe the registration process.
Classify supplies.
Apply basic rules in computing VAT Payable/ Refund.
Describe the procedure of paying VAT and filing VAT returns.

Imposition of Value Added Tax (VAT); legislations and obligations of a person registered for VAT; registered person, taxable period, taxable supply; taxable activity, supply of goods and services, input tax and output tax.
Computation of input tax and output tax; apportionment of input credits and calculation of final VAT payable or refund with appropriate rates; payment of VAT and submission of VAT returns on due dates.
(only a general understanding and application is expected at this level without referring to specific goods/ services)

E) Tax administration system (05%)

Focus	Content
Describe furnishing returns and assessments. Describe the appealing procedure and penalties. Describe the tax refunds.	Furnishing of returns; due dates of submitting returns; Issue of assessments and additional assessments and the time bar for assessments; Compliance under self- assessment; payment of income tax on quarterly basis; Appeals: valid notice of appeal, applicable time limits for appeals, withdrawal of appeals, penalties on non-compliance. Entitlement for repayments of tax paid in advance, repayments not permitted, applicable time limits for refund.

Note:

Tax amendments will be incorporated into the syllabus from time to time which will be duly notified by the Institute.

Learning Aids

Mandatory reading:

Study Pack on Taxation 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Inland Revenue Act No. 6 of 2006 and subsequent amendments

Balaratnam, S 2007, **Income Tax in Sri Lanka 2007**, **Tax Publications Ltd.**, Sri Lanka

Value Added Tax (VAT) Act No.14 of 2002 and subsequent amendments

Economic Service Charge (ESC) Act No. 13 of 2006 and subsequent amendments

OL 5: BUSINESS ENGLISH II (BE II)

Introduction

Business English II is an extension of Business English I that was offered in the Foundation Level of the study programme. Thus, this course unit is devoted largely to further the basic knowledge and skills imparted in the earlier course unit. However, a few new topics are also introduced. The course unit is also organized along the same lines as in BE1 with the four segments of the syllabus structure.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Construct and write complex, grammatically correct sentences;
- Read aloud/ silently and understand a variety of material on subjects of interest;
- Prepare and make oral presentations on accountancy-related themes; and
- Write acceptable prose passages on selected topics.

Syllabus Structure

The main topics covered in the syllabus and their weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Grammar	20	18
B	Listening and Speaking	30	27
C	Reading	20	18
D	Writing	30	27
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition will be of 2 hour duration.

Part	Skills tested	Marks allocated	Duration
Part I: Written test	Reading and writing skills	50%	80 mts.
Part II: Listening test	Listening skills	25%	25 mts.
Part III: Oral test	Speaking skills	25%	15 mts.
Total		100%	2 hours

The written test consists of a comprehension exercise and a composition.

The listening test requires the student to listen to two passages that will be read out and answer the MCQ/ structured questions based on the passages.

The speaking test takes the form of an interview where the student will engage in a conversation. Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Grammar (20%)

Focus	Content
Demonstrate further understanding and use of the Tenses.	Advanced exercises on all the tenses: past, present and future in simple, continuous and perfect forms.
Demonstrate further understanding and use of Interrogatives.	Advanced exercises on the Interrogatives.
Demonstrate further understanding and use of Reported Speech.	Advanced exercises on Reported Speech.
Demonstrate further understanding and use of Passive Voice.	Advanced exercises on the Passive Voice.
Demonstrate understanding and use of Conditional Clauses.	Conditional clauses: probability, possibility and impossibility.
Demonstrate understanding and use of Prepositions.	Prepositions.
Demonstrate understanding and use of Infinitive and Gerund.	Infinitive and Gerund.
Demonstrate understanding and use of relative clauses.	Relative clauses: defining and descriptive.

B) Listening and speaking (30%)

Focus	Content
Demonstrate listening and understanding the spoken word.	Listen to and understand the spoken word - Advanced listening dictation exercises.
Demonstrate remembering what is heard.	Remember what heard—Advanced concentration memory exercises are.
Demonstrate listening and remembering the essence.	Listen for the general drift rather than every specific detail of a passage - Listening comprehension exercises.
Demonstrate taking down notes.	Take down notes of a lecture or oral presentation - Listening to an oral presentation by the teacher or tape recording
Demonstrate correct pronunciation of words.	Overcoming common pronunciation errors among Sri Lankan speakers of English - Minimal pair drills.
Demonstrate correct stressing of syllables.	Stressing on the syllable stress: Stress on first syllable; Stress on last syllable; stress on penultimate syllable.
Demonstrate correct use of Compound words.	Compound words (words with two parts).

Demonstrate effective recitation and memorization of simple literary pieces.

Recitation and memorization: Use of simple poems and passages.

C) Reading (20%)

Focus	Content
Distinguish among different types of passages. Demonstrate effective reading skills for different purposes.	Intensive reading of selected passages from the writings of well-known English authors based on the following styles: Narration, description, exemplification, process description, cause and effect, comparison and contrast, division and classification, definition, and argumentation.
Demonstrate effective comprehension of passages.	Follow-up comprehension exercises and questions of various types on a given passage such as: True/false; objective multiple choice questions: open-ended comprehension questions: vocabulary.
Demonstrate effective summarizing skills.	Summarizing: Students' ability to express as economically as possible the essentials of a given prose passage and identifying what is important and summarizing it concisely. Close passages based on narration, description, exemplification, etc. referred to above

D) Writing (30%)

Focus	Content
Describe the roles of different components of a passage.	Essays on the following styles using each of the following styles with appropriate transition words/phrases:
Demonstrate effective writing passages for different purposes.	Narration, description, exemplification, process, cause and effect, comparison and contrast, division and classification, definition, argumentation Transition markers: Formerly, before, prior to, after, till, when, meanwhile, during this time, throughout, on these occasions, as soon as, sometimes, first, second, finally, lastly, then, next, etc.
Demonstrate effective writing letters and resumes.	Letter writing: Personal letters, business letters; resume writing. Spelling including rules in use. Punctuation: Full stop, comma exclamation mark, semi-colon, colon, apostrophe, question mark, dash, hyphen, capital letters, italics, brackets.

Learning Aids

Mandatory reading:

Study Pack on Business English 11 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

National Institute of Education (NIE), 2016, Integrated Course in English for the Advanced Level 2012, NIE, and Maharagama

Stannard, A, 2012, **Living English Structure**, Orient Longman, New Delhi

OL 6: INFORMATION TECHNOLOGY APPLICATIONS (ITA)

Introduction

This is an introductory level course consisting of both basic theory and practice relating to Information Technology. The theoretical module includes: introduction to computers including hardware and software, computer networks, the Internet and database concepts and design, computer programming and programming languages. The practical module provides knowledge and operational skills of word processing software, spread sheet software, presentation software and managing databases with the Microsoft Access database management system, all of which are frequently used in an organizational environment.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Identify computer hardware and peripheral devices;
- Show awareness of Information Technology and its application to business;
- Develop basic documents, worksheets, presentations and databases; and
- Demonstrate effective use of e-mail and internet.

Syllabus Structure

The main topics covered in the syllabus for theory and practical modules, and their relative weightings:

Theory module			
Segment	Topic	Weight (%)	Time (hrs.)
A	Introduction to computers	10	09
B	Database concepts and design	10	09
C	Telecommunication and networks	10	09
Total		30	27

Practical module			
Segment	Topic	Weight (%)	Time (hrs.)
A	Word processing	10	09
B	Spreadsheets	40	36
C	Presentations	10	09
D	Database management	10	09
Total		70	63

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

There will be a (a) written test paper of thirty minute duration and (b) a practical test paper of one hour thirty minute duration.

The written test paper will contain around thirty questions, both multiple choice/ structured questions that require short answers, on topics covered in the theory component.

The practical test will assess students' skills in using computer software covered in the practical module.

Students will be awarded either a pass or fail grade in this course unit.

Contents

Theory module

A) Introduction to computers (10%)

Focus	Content
Define the evolution of information technology.	The information age; impact of information technology on society; role of information technology in Business; main components of an information system.
Describe the evolution of computer hardware.	Evolution of computer hardware; microcomputer systems; mid-range systems; mainframe systems.
Identify the basic components of a modern computer system.	Input/output, processing and storage of data in a personal computer system. hardware: parts, functions, handling, safety, assembly, and troubleshooting.
Describe system software.	Basic functions of a computer operating system; importance of an operating system; different operating systems; other system management programs; programming languages; web languages and services and programming software.
Describe application software.	Basic kinds and uses of application software; business application software; software suites and integrated packages; web browser; electronic mail; instant messaging; weblogs; word processing and desktop publishing; presentation graphics; personal information managers; groupware and software alternatives; different sources and licensing of software.

B) Database concepts and design (10%)

Focus	Content
Describe the basic concepts of databases, their use, and development.	Database management; fundamental data concepts; database structures and database development.
Describe managing data resources.	Data resource management; types of databases; data mining for business decisions; data warehouses and data mining; traditional file processing; database management approach.

C) Telecommunication and networks (10%)

Focus	Content
Describe networked enterprise.	Networked enterprise; concept of a network; trends in telecommunication; business value of telecommunication networks; internet revolution; role of intranets and role of extranets.
Describe telecommunication network alternatives.	Telecommunication alternatives; telecommunication network model; types of telecommunication networks; digital and analog signals; telecommunication media; wired technologies; wireless technologies; telecommunication processors; telecommunication software; network topologies and network architecture and protocol.

Practical module**A) Word processing (10%)**

Focus	Content
Demonstrate the use of word processing software.	Types of word processing software; when to use word processing; creating a new file; opening an existing file and other functions; formatting text and pages; spell and grammar checker; pictures and clip arts; tables; multiple columns; inserting files; mail merging; passwords and keeping track changes; printing.

B) Spreadsheets (40%)

Focus	Content
Demonstrate the use of spreadsheets.	When to use spreadsheets; formatting the spreadsheet; basic calculations; charts; logical operations; financial functions; statistical functions; sorting; filtering; simple macros and printing; frequencies and descriptive statistics (measures of central tendency and dispersion) and correlation and regression analysis.
Develop the spreadsheet models.	Introduction spread sheet principals and auditing tools; spread sheet decision logics; important tools in spread sheet models; use of pivot table; sensitivity analysis; solver; conditional formatting, sorting, tables and data validation; loan amortization models , depreciation and developing charts for business analysis.

C) Presentations (10%)

Focus	Content
Demonstrate the use presentation software.	When to use presentations; functions and tips for making an effective presentation; formatting a presentation; animations; tables; charts; managing slide master and printing.

D) Database management (10%)

Focus	Content
Demonstrate the use of data management software.	When to use database management and functions; creating tables and databases; queries and reports.

Learning Aids

Mandatory reading:

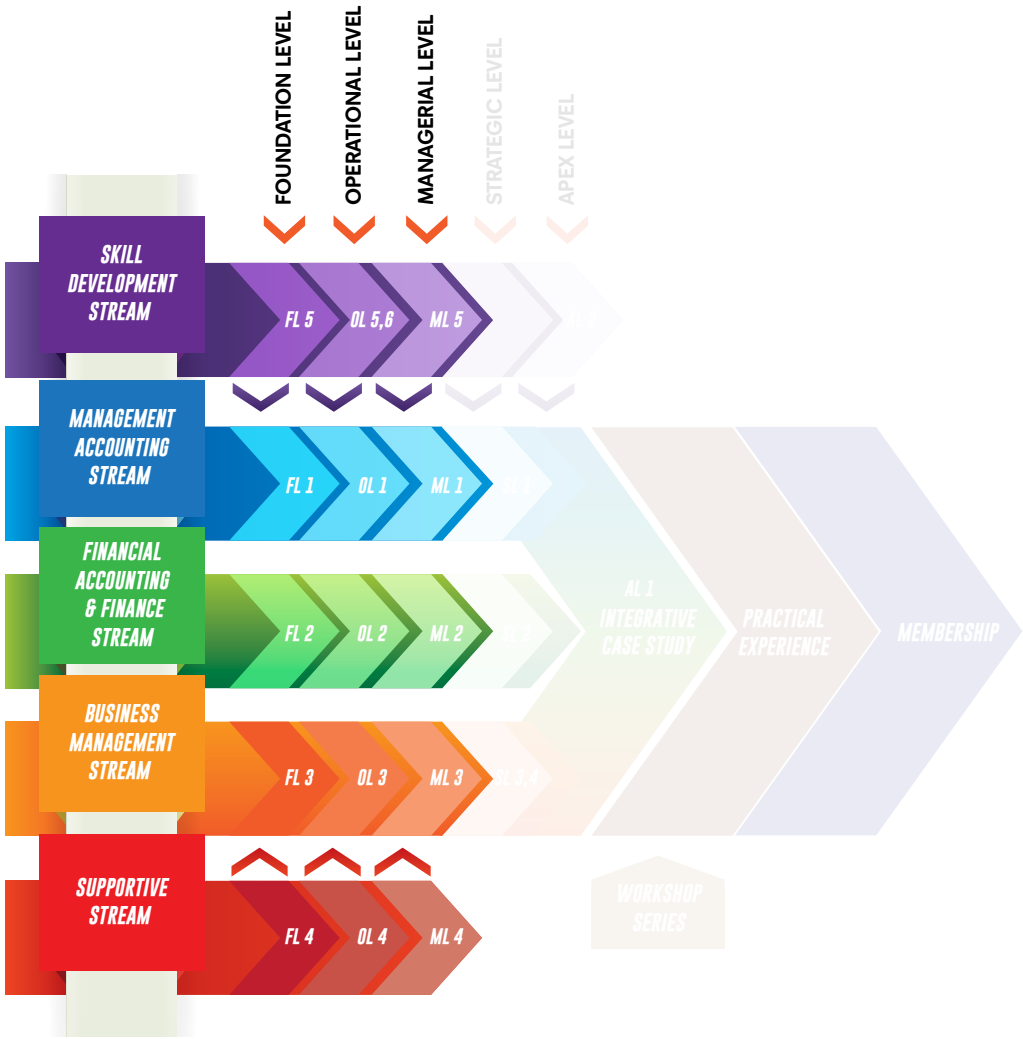
Study Pack on Information Technology Applications 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Rajaraman V 2013, **Introduction to Information Technology**, PHI Publishing Company

Charles, RS 2015, **Introduction to Networking: How the Internet Works**, Kindle Edition

CMA STUDY PROGRAMME
LEVEL 3 - MANAGERIAL



Code	Title	Status
ML 1	Advanced Management Accounting	Core
ML 2	Corporate Reporting & Analysis	Core
ML 3	Managing Projects (50%) & Information Systems (50%)	Core
ML 4	Corporate Law (50%) & Advanced Taxation (50%)	Supportive
ML 5	Professional Communication	Skill

ML1: ADVANCED MANAGEMENT ACCOUNTING (AMA)

Introduction

The aim of this Managerial Level course unit is to integrate students' knowledge and skills acquired in various disciplines into management accounting. By doing so, the course unit expects to widen the students' perspective on the use of management accounting in organizations. The unit is also enriched with further aspects of management accounting in the contents covered in FL 1: Fundamentals of Management Accounting and OL 1: Management Accounting.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Apply management accounting techniques in varied work situations;
- Evaluate the performance of divisionalized and hierarchical organizations;
- Assess new developments in management accounting for use in organizations; and
- Evaluate the risk management strategies of an organization.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings are as follows.

Segment	Topic	Weight (%)	Time (hrs.)
A	Advanced aspects of management accounting techniques	30	27
B	Responsibility accounting and performance measurement	30	27
C	Management accounting in the modern business environment	25	22
D	Risk management	15	14
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

Part I (20 marks): Consists of around ten multiple choice/ structured questions that require short answers to be answered in 30 minutes.

Part II (80 marks): Consists of 4 compulsory questions. Within a question/s, however, there may be choice of sub-parts for the student to select from.

Contents

A) Advanced aspects of management accounting techniques (30%)

Focus	Content
Discuss issues arising from cost classification according to the behavior of costs.	Cost behavior classification issues and the need for different costs for different purposes; advanced aspects of CVP analysis (with taxation, operating leverage, sensitivity analysis).
Apply Cost-Volume-Profit (CVP) analysis with further adjustments.	Product-mix decisions with multiple capacity, constraints: linear programming-graphical and simplex method. (Simplex method-only interpretation of final formats is required).
Apply the derivation of the optimum product mix under constraints while emphasizing the interpretation of results.	Activity based view of costs; activity hierarchy of ABC; Activity Based Management (ABM); implementing ABC system and pitfalls.
Discuss further aspects of Activity Based Costing (ABC) and Activity Based Management (ABM).	Customer profitability analysis; distribution channel profitability analysis; direct product profitability analysis and strategic cost management.
Discuss various applications and extensions of ABC.	Criticisms of budgeting; applicability of traditional budgeting; 'better budgeting' and 'beyond budgeting.'
Compare and contrast traditional form of budgeting with beyond budgeting and better budgeting approaches.	Use of spread sheets in budgeting; impact of Enterprise Resource Planning (ERP) on budgeting.
Discuss the use of IT in budgeting.	Incorporation of inflation and taxation into capital budgeting decisions.
Discuss further aspects of capital budgeting incorporating the effects of taxation and inflation.	Capital rationing decisions (payback index, replacement chain method, annualized equivalent approach).
Prioritize projects when capital is limited.	Financing the capital budgeting decisions (lease vs. buy decisions); replacement decisions.
Evaluate asset financing and replacement decisions.	

B) Responsibility accounting and performance measurement (30%)

Focus	Content
Discuss decentralization and applications of responsibility accounting.	Organization structure and decentralization; need for decentralization; benefits of decentralization; costs of decentralization; choices about responsibility centres (cost centres, standard cost centres, revenue centres, contribution centres, profit centers, investment centers); shared servicing.

Apply concepts and methods of various bases to compute transfer pricing.

Discuss the impact of transfer pricing on divisional performance measurement.

Discuss techniques available to evaluate the performance of investment centres.

Discuss the limitations of financial performance measurements systems and the use of balanced scorecard as an integrated performance measurement tool in assessing divisional performance.

Transfer pricing and its purpose; factors to consider in setting up transfer pricing; transfer pricing methods (market-based, cost-based including marginal cost, full cost, cost-plus a markup, Activity Based Cost, negotiated, two part tariff and dual pricing, negotiated; behavioral issues in transfer pricing.

Financial performance measures [Return on Investment (ROI) and its secondary ratios, Residual Income (RI), Economic Value Added (EVA),] and evaluation of these different techniques.

An overview of financial performance measures; limitations of financial performance measures; on- financial performance measures; the Balanced Scorecard (BSC) and applications.

C) Management accounting in the modern business environment (25%)

Focus	Content
Discuss developments in management accounting.	Lean manufacturing (including different types of wastes); Total Quality Management; Six Sigma; life cycle costing and life cycle budgeting; target costing, and tear-down analysis; value engineering and functional analysis; Kaizen costing, activity based cost management; Business Process Re-engineering (BPR); value chain analysis; Just-In-Time (JIT) systems; value stream costing; benchmarking.
Compare and contrast theory of constraint/ throughput accounting as an alternative costing system.	Theory of constraint and throughput accounting (bottleneck resource, product return per time period, throughput accounting ratio, throughput stock valuation)
Compute various associated measures.	
Describe principles of sustainability management accounting (SMA).	Sustainable development and corporate sustainability management; corporate greening strategies; definitions of environmental accounting and environmental management accounting (EMA); physical and monetary EMA systems; different environmental cost categorization methods (a brief overview of Environmental Protection Agency (EPA) and IFAC environmental cost categories); extension of EMA to SMA.
Describe different environmental cost categorization methods.	

D) Risk management (15%)

Focus	Content
Describe different types, sources and nature of risk faced by an organization. Discuss the risk assessment process.	Difference between risk and uncertainty; risks: types and sources of risk; risk as threat, uncertainty and opportunity; assessment of risk: risk identification, description, estimation and risk evaluation; risk map and representation of risk exposure.
Discuss the link between risk management and shareholder value. Discuss different risk management strategies.	Risk management and shareholder value; benefits and limitations of risk management; enterprise risk management; risk management/mitigation strategies (avoid, transfer, mitigate, keep/accept); risk management roles and responsibilities: the role of the board, the risk manager and business unit responsibility.
Describe risks in international trade.	Different types of risk (credit, political, transaction, translation and operating); managing foreign exchange risk and techniques available (only a brief overview of internal and external hedging techniques and no calculations are expected).
Discuss the risks in information systems (IS) and their use.	Risks in IS/IT systems; controls that can be designed into an IS; risks associated with big data.

Learning Aids

Mandatory reading:

Study Pack on Advanced Management Accounting, 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Drury, C 2015, **Management and Cost Accounting**, Thomson Learning, India

Croughey, M, Galai, D & Mark, R 2014, **The Essentials of Risk Management**, McGraw-Hill, New York

ML2: CORPORATE REPORTING & ANALYSIS (CRA)

Introduction

This is the third course unit offered in the Financial Accounting and Finance stream and picks up from where OL2: Advanced Financial Accounting and Finance course ends. The objective of this course is to provide students with an understanding of the preparation of financial statements of a group of companies which includes subsidiaries, associates and joint arrangements. Further, the course unit discusses analysis and interpretation of financial statements using different techniques such as horizontal analysis and vertical analysis, etc.

Learning Outcomes

On successful completion of the course unit students will be able to:

- a. Explain the need for consolidated financial statements and consolidated procedures;
- b. Prepare consolidated financial statements;
- c. Prepare the accounts for the associates and joint arrangements;
- d. Interpret financial statements using accounting ratios; and
- e. Explain the fundamental principles of auditing financial statements.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings are as follows.

Segment	Topic	Weight (%)	Time (Hrs.)
A	Preparation of group financial statements	45	40
B	Accounting for financial instruments	20	18
C	Financial statement analysis and interpretation	25	23
D	Contemporary issues/developments in financial accounting	10	09
Total		100	90

Assessment

Part I (20 marks): Consists of around ten multiple choice/ structured questions that require short answers to be answered in 30 minutes.

Part II (80 marks): Consists of 4 compulsory questions. Within a question/s, however, there may be choice of sub-parts for the student to select from.

Contents

A) Preparation of group financial statements (45%)

Focus	Content
Describe the need for consolidated financial statements and the consolidation procedures.	Introduction of a group, concept of control and consolidated financial statements; pre-acquisition and post-acquisition reserves. (SLFRS 03 and SLFRS 10).
Calculate goodwill, non-controlling interest and consolidated reserves.	Calculation of goodwill, non-controlling interest and consolidated reserves. (SLFRS 03 and SLFRS 10).
Prepare the consolidated statement of profit or loss and other comprehensive income and statement of financial position.	Consolidated statement of profit or loss and statement of financial position (SLFRS 10).
Illustrate the adjustment in preparation of financial statements.	Adjustments for intra group transactions: <ul style="list-style-type: none"> • Current accounts between parent and subsidiaries, goods in-transit, • Intra group income, expenses and dividends, • Unrealized profit/loss on intra group transactions, (trading transactions, fixed assets transfers), • Accounting for goodwill on acquisition, • (SLFRS 10)
Describe multi group structures	Groups with two or more subsidiaries with direct and indirect control.
Describe piecemeal acquisition and disposal of subsidiaries	Piecemeal acquisition; Disposal of subsidiaries <ul style="list-style-type: none"> - Full disposal Partial disposal (Subsidiary status remains after disposal, subsidiary becomes an associate, subsidiary becomes a general investment) (SLFRS 10).
Prepare the consolidated statement of profit or loss and other comprehensive income and statement of financial position under piecemeal acquisition and disposal of subsidiaries.	Consolidated statement of profit or loss and other comprehensive income and statement of financial position under piecemeal acquisition and disposal of subsidiaries. (with a maximum with two subsidiaries) (SLFRS 10).
Prepare the consolidated statement of profit or loss and other comprehensive income and statement of financial position foreign subsidiaries.	Translating financial statements of foreign subsidiaries to reporting currency, Consolidated statement of profit or loss and other comprehensive income and statement of financial position with foreign subsidiaries (LKAS 21).

Prepare accounts for investments in associates.	An associate and the concept of significant influence; accounting for investment in associates-equity method (LKAS 27).
Prepare accounts for investment in joint arrangement.	The concept of joint control; Accounting for joint operations Accounting for joint ventures-equity method (SLFRS 11).

B) Accounting for financial instruments (20%)

Focus	Content
Explain the financial asset, financial liability and equity instruments.	Classification of financial instruments between assets, liabilities and equity; compound financial instruments (LKAS 32).
Discuss the specific requirements in accounting of financial instruments.	Recognition and de-recognition, measurement of financial instruments, hedging(SLFRS 09).
Describe the disclosure requirement for financial instruments	Disclosure requirements of financial instruments (SLFRS 7).

C) Financial statement analysis and interpretation (25%)

Focus	Content
Explain the overview of financial statement analysis	Overview of business analysis, accounting analysis and financial statement analysis
Describe the techniques available for financial statement analysis.	Horizontal analysis and vertical analysis; Accounting ratios:
Analyze financial statements using accounting ratios.	Profitability; liquidity; asset management/ efficiency; debt management/ gearing; market/ investors including cash flow ratios; Du Pont analysis.
Discuss the advantages and limitations of ratio analysis	Advantages and limitations of ratio analysis.

D) Contemporary issues/developments in financial accounting (10%)

Focus	Content
Discuss contemporary issues /developments pertaining to financial accounting.	Social and environmental reporting; sustainability reporting; ethics in financial reporting; harmonization and. standardization of accounting practices; fair value accounting; human resource accounting.
Discuss the future of financial accounting.	Future of financial accounting; financial reporting and information technology.

Learning Aids

Mandatory reading:

Study Pack on Corporate Reporting and Analysis 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Leo K, Knapp J, McGowan S & Sweating J 2016, **Company Accounting**, John Wiley & Sons Australia Ltd, Sydney

Arthur, N, Grose, R, Campbell, J and Luff, L 2016, **Accounting for Corporate Combinations and Associations**, Pearson Education, Australia

ML3: MANAGING PROJECTS & INFORMATION SYSTEMS (MPI)

This course unit is divided into two sections: Managing Projects (50%) and Information Systems (50%).

Assessment

The test paper will be of three hours' duration and consist of:

Part I (20 marks): Around ten multiple choice/ structured questions that require short answers in the proportion Managing Projects (50%) and Information Systems (50%) to be answered in 30 minutes.

Part II (80 marks): Four compulsory questions (2 on Managing Projects and two on Information Systems, all carrying equal marks. Within a question/s, however, there may be a choice of sub-parts to select from.

Managing Projects (50%)

Introduction

This course focuses on the activities and challenges associated with project management, which is the vital component of managing complex projects. Project management deals with the application of knowledge, skills, tools, and techniques to project activities in order to meet project objectives. This Managerial Level course covers the key components of project management including project integration, project scope management, project time and cost management, quality management, risk management, procurement management as well as human resource management.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Demonstrate knowledge and understanding of project management principles including how to define a project;
- Identify and explain strategies and constraints in designing projects; and
- Analyze projects using project management tools and techniques.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of Project Management	10	09
B	Project Management Knowledge	15	14
C	Project Management Tools	25	22
Total		50	45

The contents are to be covered in about 45 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Overview of project management (10%)

Focus	Content
Present an overview of the project management.	Definition of project and project management;
Describe the importance of project management.	importance of project management; role of
Explain the role of a project manager.	operations manager; 'players in the game'- sponsor, champion, client, stakeholder etc.
Explain stages in project life cycle.	Stages of project life cycle – define, design, deliver
Describe triple constraints in project management.	and develop; constraints: scope, cost and time.

B) Project management process (15%)

Focus	Content
Describe how to initiate project.	Project definition (charter): stakeholder analysis and
State stakeholders of a project.	development of responsibility matrix.
Explain how to manage risk.	Risk management process; risk identification;
Describe communication planning process.	risk assessment; risk response development;
Explain how to estimate variables.	risk response control; communication planning;
	estimation – bottom up approach and top down approach.
Explain how to close a project.	Project audits; project closure.

C) Project management tools (25%)

Focus	Content
Explain scheduling tools.	Work Breakdown Structure (WBS); Gantt Chart; network diagrams.
Discuss network analysis as a project management technique and project crashing.	Net-work diagrams and critical path analysis; Performance Evaluation and Review Technique (PERT) including probabilistic calculation of project completion times; crashing (computations not required).
Identify software used for project management.	MS-Project (only an introduction)
Describe main features of MS-project.	
Describe techniques of project progress control.	Baseline development; status report; Earned Value approach.

Learning Aids

Mandatory reading:

Study Pack on Managing Projects and Information Systems 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Maylor H, 2010, **Project Management**, Pearson Education Ltd., Harlow, England

A Guide to the Project Management Body of Knowledge, (PMBok) 2013, PMI, Newton Square, PA

Information Systems (50%)

Introduction

Management accounting today is intricately woven with Information Technology (IT), which continues to develop at an amazing rate. This course unit introduces the students to salient aspects of Information Technology and Information Systems (IT/ IS) that are of relevance to management accountants operating in today's competitive global business environment.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Describe the basic concepts and types of IS used in organizations and their impact on organizations;
- Explain strategies, tools and technologies available to transform organizations, support decision making and gain competitive advantage;
- Identify the challenges faced by organizations in using IS and how to overcome them; and
- Illustrate alternative methods available for developing IS.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Role and types of IS	15	14
B	Impact of IS on competitive advantage	10	09
C	Databases and information management	10	09
D	Security challenges	05	04
E	E-commerce and IS development	10	09
Total		50	45

The contents are to be covered in about 45 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Role of IS and types of IS (15%)

Focus	Content
Describe the components, resources and activities of an IS.	Information systems; impact of IS on businesses.
Explain the role of IS in business.	Dimensions of IS: complementary assets; technical approach, behavioural approach, socio-technical systems.

Describe the types of IS used in business.

Business processes; transaction processing systems; management information systems; decision support systems; Executive support systems; enterprise resource planning (ERP) systems; supply chain management systems; customer relationship management systems; knowledge management systems.

B) Impact of IS on competitive advantage (10%)

Focus	Content
Explain the features of organizations that affect the kinds of IS used	Organization, routines and business processes; organizational politics; organizational culture; organizational environment; organizational structure; other organizational features.
Identify the most widely used model for understanding competitive advantage.	Michael Porter's five competitive forces model; cost-leadership strategy; differentiation strategy; focus strategy; Strengthen customer and supplier intimacy strategy; impact of the Internet on competitive advantage; Business value chain model, value web model.
Explain strategies used for confronting competitive forces.	

C) Databases and information management (10%)

Focus	Content
Identify basic concepts of a file and problems associated with the traditional file environment.	Bit, byte, field, record, file, database data redundancy, data inconsistency; program-data dependence; program-data dependence; Poor security; lack of data sharing and availability; DBMS; How a DBMS solves the problems of the traditional file environment.
Illustrate how a data base management systems (DBMS) solves the problems of the traditional file environment.	
Identify the challenge of big data.	The challenge of big data; data warehouses; data marts; Online analytical processing (OLAP); data mining; text mining; web mining.
Describe business intelligence infrastructure.	
Explain analytical tools: relationships, patterns, trends databases and the web.	
Describe the process of establishing an information policy.	Information policy; data administration; data governance; database administration; data quality audit; data cleansing.
Explain how to ensure data quality.	

D) Security challenges (05%)

Focus	Content
Identify why information systems are vulnerable to various threats.	Malicious software; hackers; Internal threats; Software vulnerability.

Explain the tools and technologies available for safeguarding IS.

Identity management and authentication; firewalls; intrusion detection systems; antivirus software; Securing Wireless Networks; encryption.

E) E-commerce and IS development (10%)

E-commerce (05%)

Focus	Content
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Differentiate between e-commerce and traditional commerce.

E-commerce vs. traditional commerce; unique features of e-commerce.

Describe different uses of e-commerce in business.

Types of e-commerce; e-commerce business models; e-commerce revenue models, e-commerce marketing; B2B e-commerce; mobile commerce and its applications.

IS development (05%)

Focus	Content
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Identify organizational change associated with the introduction of IS.

Automation; rationalization of procedures; business process redesign; paradigm shifts.

Describe systems development process and alternative systems development methodologies.

Systems development process; traditional systems development life cycle; prototyping; end-user development; application software packages; outsourcing.

Learning Aids

Mandatory reading

Study Pack on Information Systems, 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary reading

Laudon, KC & Laudon, JP, 2016, **Management Information Systems: Managing the Digital Firm**, Pearson

James O'Brien & George Marakas, 2013, **Management Information Systems**, McGraw Hill

ML 4: CORPORATE LAW & ADVANCED TAXATION (CLT)

This course unit is divided into two sections: Corporate Law (50%) and Advanced Taxation (50%).

Assessment

The test paper will consist of two segments: Corporate Law and Advanced Taxation, each of two hours' duration as follows:

Corporate Law (50%)

Part I (10 marks): Around ten multiple choice/ structured questions that require short answers.

Part II (40 marks): Two compulsory questions. Within a question/s, however, there may be a choice of sub-parts for students to select from.

Advanced Taxation (50%)

Part I (10 marks): Around ten multiple choice/ structured questions that require short answers.

Part II (40 marks): Two compulsory questions. Within a question/s, however, there may be a choice of sub-parts for the student to select from.

There will be a short break in between the two papers.

Corporate Law (50%)

Introduction

This managerial level course unit provides students with an understanding of the fundamental principles of Corporate Law. It gives special attention to the Companies Act No. 7 of 2007 to enable students to reflect on how companies can be directed in the best interests of the shareholders as well as salient aspects of secretarial work and securities law. The Corporate Law segment includes knowledge of forms of businesses and formation, management and winding-up aspects of companies.

Learning Outcomes

At the end of this course, students will be able to:

- a. Discuss the general principles, laws and regulations of Corporate Law;
- b. Interpret the relevant sections of the Companies Act No 07 of 2007 and their main legal principles;
- c. Apply knowledge and skills related to company law in simple practical situations;
- d. Discuss the role of company officers and the legal principles relevant to the formation and running of a company;
- e. Evaluate how companies are managed, administered and regulated within the legal framework; and
- f. Discuss the role of a company secretary.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight	Time (hrs.)
A	Forms of businesses and nature of incorporation	15	18
B	Corporate Finance and Shareholders	10	12
C	Management of the company	10	12
D	Winding up	05	06
E	Securities regime in Sri Lanka	05	06
F	Company Secretarial practices	05	06
Total		50	60

The contents are to be covered in about 60 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Though not specifically stated, the overall focus of the course unit includes advising/ evaluating/ recommending on contents covered below:

Contents

A) Forms of businesses and nature of incorporation (15%)

Focus	Content
Compare and contrast various types of business forms and combinations.	Incorporated and unincorporated associations; concept of corporate personality; nature of a company; separateness, legal personality, perpetual succession, limited liability; The rule in Salomon V. Salomon & Co Ltd and its development; lifting the veil of incorporation; Articles of association. Forms 1, 18 and 19; company name and registered office.
Compare and contrast different types of companies, viz. private and public companies.	
Discuss the incorporation of a limited liability company and related matters.	
Discuss the role and duties of company promoters.	Pre- incorporation contracts; duties and liabilities of promoters; requirements for prospectuses and listing particulars; the growth and decline of the doctrines of ultra vires and constructive notice; the Turquand rule and the application of principles of agency.
Identify the pre- incorporation contracts; duties and liabilities of promoters.	
Analyze the effect of a company's constitutional documents.	
Discuss the growth and decline of the doctrines of ultra vires, the Turquand rule.	

B) Corporate finance and shareholders (10%)

Focus	Content
Discuss issues and laws related to corporate finance.	Explanation of capital, shares and debentures: Solvency test; stated capital; maintaining and reducing the stated capital of the company; different types of shares; shares vs. debentures; payment of dividends, purchase by the company of its shares, financial assistance for the purchase of its shares. Duty to keep accounting records; obligation to prepare financial statements; contents and form of financial statements; group financial statements.
Discuss the rights of shareholders.	Definition of shareholder; rights of shareholders
Discuss the meetings and voting of companies.	Meetings, voting and resolutions,; the rule in Foss. V Harbottle; Exception to the Foss V Harbottle rule; statutory and common law remedies for the protection of minority shareholders; company disclosure and investigations; derivative actions, minority buy-out rights etc.; the Hilton case.
Discuss the powers of majority shareholders.	
Discuss protection of minority shareholders.	

C) Management of the company- duties of the directors and auditors (10%)

Focus	Content
Discuss the role of directors of a company.	Directors; appointment, retirement, dismissal and disqualification; power of directors; position of directors; meetings and associated procedures; common law duties, statutory duties; duties of directors (fiduciary duties and duty of care and skill) and their enforcement; business judgment rule.
Discuss how directors are appointed, how they lose their office or are subject to a disqualification order.	
Evaluate the duties of directors.	
Describe the position of an auditor.	Position of an auditor; appointment; qualification; remuneration; duties and rights of auditors.
Discuss how auditors are appointed and their qualifications.	
Discuss rights and duties of an auditor.	

D) Winding – up (05%)

Focus	Content
Explain the process of winding up of companies.	Dissolution and methods of winding- up (voluntary winding-up, compulsory winding-up); grounds for winding up; court's power on hearing winding up petition; role of liquidator and administrator.
Discuss the non-terminal company arrangement.	Non-terminal forms of company arrangement (merges, amalgamation etc.).

E) Securities regime in Sri Lanka (05%)

Focus	Content
Discuss SEC, CSE and CDS in Sri Lanka. Discuss insider dealing.	Securities & Exchange Commission (SEC) of Sri Lanka; insider trading; Colombo Stock Exchange (CSE); Central Depository System (CDS); implications of price ceiling in CSE.

F) Secretarial practices (05%)

Focus	Content
Discuss the meetings and resolutions of companies.	Meetings, voting and resolutions, circular resolutions; AGM, EGM and written resolution; length of notice for calling meetings; proxy; minutes of proceedings of meetings.
Discuss the role, attributes and appointment of a secretary of a company.	Role of secretaries over different facets of company life qualifications, qualities and appointment of secretaries; Panorama Developments (Guildford) Ltd.
Discuss the importance of registered office and registers to be kept.	V. Fidelis Furnishing Fabrics Ltd.

Learning Aids

Mandatory reading:

Study Pack in Corporate Law, 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Weerasooria, W 2009, **A Text Book of Commercial Law (Business Law)**, PIM Publication, Colombo. (Chapter 12)

Neelakandan, K 2007, **New Companies Act, Simplified, Partner**, Murugesu & Neelakandan Publication, Colombo

Advanced Taxation (50%)

Introduction

This course aims to provide students with a sound understanding of taxation and to develop their knowledge and skills relating to taxation. The course will mainly focus on advanced aspects in ascertaining the income tax liability of persons including individuals, companies and other bodies of persons. Other taxes applicable to businesses including Value Added Tax (VAT), Nation Building Tax (NBT) and Economic Service Charges (ESC) are also included. The tax administration procedures relating to returns and assessments, appeals, payments and recoveries required for a business are also part of this course unit.

This course unit takes off from where OL 4: Business Law & Taxation (BLT) ended. It mainly deals with further and advanced aspects of what has been dealt with earlier. The cut off points between the contents of the course units OL 4: Taxation and ML 4: Advanced Taxation is clearly evident in the course manuals provided by the Institute.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- Evaluate the economic and social impact of taxation in an economy;
- Ascertain the statutory income sources of persons;
- Apply the income tax law into practical situations and to identify the tax liabilities;
- Discuss the tax administration procedures; and
- Advise the individuals and companies on Taxation related issues.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Further aspects of sources of income tax	17	20
B	Further aspects of income tax liability of persons	17	20
C	Other taxes	10	12
D	Advanced aspects of tax administration	03	04
E	Tax planning	03	04
Total		50	60

The contents are to be covered in about 60 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Contents

A) Further aspects of sources of income tax (17%)

Focus	Content
<p><i>Profits from employment:</i></p> <p>Discuss categories of profits from employment.</p> <p>Apply PAYE tax and the basis of liability.</p> <p>Compute employment income.</p> <p>Discuss the exemptions from employment.</p>	<p>Categories of employment income including cash and non-cash benefits, value of conveyance, rental value of residence, retirement benefits and basis of liability, PAYE (Pay-As-You-Earn) deduction. Exemptions from employment income.</p>
<p><i>Income from property:</i></p> <p>Discuss sources of income from property.</p> <p>Compute NAV and rent income.</p> <p>Compute occupier's Income.</p> <p>Evaluate the eligibility for exemptions.</p>	<p>Sources of income from property; Net Annual Value (NAV) from property owned and occupied; rent income from property rented; income from renting furnished houses; occupier's income; exemptions of NAV and rent income;</p>
<p><i>Interest income:</i></p> <p>Discuss sources of interest.</p> <p>Compute interest income.</p> <p>Discuss operation of withholding tax system.</p> <p>Apply exemptions to interest income.</p>	<p>Sources of interest and exemptions to interest income; operation of withholding tax on interest and tax credits.</p>
<p><i>Dividend income:</i></p> <p>Discuss sources of income associated with dividends.</p> <p>Compute income from dividends.</p> <p>Apply the eligibility for exemptions.</p>	<p>Dividends, exempt dividends, withholding tax on dividends and tax credits:</p> <p>Tax on deemed distributions.</p>
<p><i>Ascertainment of profits and income:</i></p> <p>Discuss the allowable expenses and disallowable expenses.</p> <p>Apply exemptions.</p>	<p>Trade, business, profession or vocation, allowable expenses and disallowable expenses: capital allowances; general rules and principles in computing capital allowances; application of capital allowances in disposal with or without replacement, treatment of assets leased.</p>
<p>Discuss the treatment for other income sources.</p>	<p>Income from any other sources such as winnings from a lottery, betting or gambling etc.</p>

B) Further aspects of income tax liability of persons (17%)

Focus	Content
<p>Apply tax rules in computing statutory income of an individual.</p> <p>Discuss rules relating to aggregating a child's income to the statutory income of a parent.</p>	<p>Aggregation of income from all sources to arrive at statutory income; rules relating to aggregating a child's income to the statutory income of a parent.</p>
<p>Discuss assessable income.</p> <p>Compute allowable deductions.</p> <p>Compute assessable income.</p>	<p>Assessable income; allowable deductions from statutory income including rules of deduction of losses from statutory income.</p>

Discuss taxable income.
 Compute allowable deductions.
 Compute taxable income.
 Compute the final tax liability/refund.

Discuss the different types of companies.
 Compute statutory income of a company.
 Compute assessable income of a company.
 Compute the income tax liability of companies.

Compute other taxes related to income tax of companies.

Clubs and associations

Compute income tax liability of clubs and associations.

Trustees, executors and receivers

Compute income tax liability of trustees, executors and receivers.

Deductions from assessable income including qualifying payments and tax free allowances, ascertainment of taxable income.

Application of personal income tax rates and computation of final tax liability for both resident and non- resident individuals; tax credits available.

Definitions and classifications of resident and non-resident companies; aggregation of income from all sources with a special emphasis on trade and business to arrive at statutory income; allowable deductions from statutory income including rules of deduction of losses from statutory income; deductions from assessable income including all qualifying payments; final tax liability of resident and non-resident companies; income tax rates; tax on dividend distributed; deemed dividend tax; tax credits available.

Withholding taxes and Economic Service Charges (ESC).

Charitable institution, clubs and associations; explain the chargeability and assess the tax liability.

Trustees, executors and receivers, and assess income tax liability.

C) Other taxes (15%)

Focus	Content
Apply the operational aspects of ESC and withholding tax.	Economic Service Charge (ESC) and Withholding Taxes.
VAT	Imposition of Value Added Tax (VAT); legislations and obligations of a person registered for VAT; registered person, taxable period, taxable supply; taxable activity, supply of goods and services, input tax and output tax.
Discuss the registration process	Compulsory, voluntary and forced registration; zero rated items, luxury items and standard rate supplies;
Classify supplies.	Computation of input tax and output tax;
Compute VAT Payable/ Refund.	apportionment of input credits and calculation of final VAT payable or refund with appropriate rates;
Apply the procedure of paying and filing returns.	payment of VAT and submission of VAT returns on due dates.

Nations Building Tax

Apply the operational aspects of NTB.

NBT; registration threshold to small and medium-sized businesses, Computation of tax payable, due dates of payment and submission of returns.

Stamp duty and transactions liable to stamp duty.

Tax liability, tax base, turnover and payment of tax.

Economic Service Charges

Apply the operational aspects of ESC.

Stamp duty

Apply the operational aspects stamp duty.

Stamp duty and transactions/ instruments liable to stamp duty, chargeability and the rates, mode of payment.

D) Advanced aspects of tax administration (05%)

Focus	Content
Discuss furnishing returns and assessments.	Furnishing of returns; due dates of submitting returns;
Discuss the appealing procedure and penalties.	Issue of assessments and additional assessments
Discuss the tax refunds.	and the time bar for assessments; compliance under self- assessment; payment of income tax on quarterly basis; appeals: valid notice of appeal, applicable time limits for appeals, withdrawal of appeals, penalties on non-compliance.
	Entitlement for repayments of tax paid in advance, repayments not permitted, applicable time limits for refund.

E) Tax planning (05%)

Focus	Content
Discuss the importance of tax planning and its benefits.	Objectives and benefits of tax planning.
Advise the total tax exposure.	Legal form of business and transactions; impact of indirect and direct taxes; tax incentives; tax liability for different scenarios: accounting policies and methods etc.
Discuss the tax holidays and concessions.	Basic understanding of tax holidays and concessions.
Apply the principles of double tax agreements.	Principal aspects of the operation of a double tax agreement.

Note:

Tax amendments will be incorporated into the syllabus from time to time which will be duly notified by the Institute.

Learning Aids

Mandatory reading:

Study Pack on Advanced Taxation 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Inland Revenue Act No. 6 of 2006 and subsequent amendments

Balaratnam, S. 2007, **Income Tax in Sri Lanka**, Tax Publications Ltd., Sri Lanka

Value Added Tax (VAT) Act No.14 of 2002 and subsequent amendments

Stamp Duty Act No - 12 of 2006 and subsequent amendments

Economic Service Charge (ESC) Act No. 13 of 2006 and subsequent amendments

ML 5: PROFESSIONAL COMMUNICATION (PC)

Introduction

Professional communication is the live-wire through which a management accountant interacts with the environment, both internal and external, of an organization. Clear and precise communication is vital for winning over others; in fact, it is the gateway to beating competition. This skill course unit is a graduation from the Business English course units that students have followed already. At the outset, it looks into the communication process in detail and proceeds to provide insights into developing written, oral and presentation skills among students. It also takes a brief look at etiquette and good manners, which add finesse to one's communication skills.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Describe the communication process;
- Write business letters, memos, e-mail, and instant messages;
- Explain the contents of business reports and proposals;
- Prepare and present an oral presentation of acceptable quality; and
- Use correctly the language of etiquette and good manners.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Business communications foundations	20	18
B	Basics of business writing and correspondence	40	36
D	Oral business communication	20	18
E	Business presentations	10	09
F	Business etiquette and social manners	10	09
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition will be of 2hour duration.

Part I: Written test (60 marks): Consists of a written examination comprising 3 compulsory questions all carrying equal marks (90 minutes). The questions will include a composition/ business correspondence, comprehension and a miscellaneous question.

Part II: Oral test (40 marks): Consists of an oral examination which requires students to make a business-like presentation on a technical topic followed by a discussion (30 minutes).

Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Business communication foundations (20%)

Focus	Content
Describe the role of communication in business, causes of communication failure and means of overcoming them.	Understanding business communication in today's workplace; communicating in teams and non-verbal communication skills.
Explain the communication process.	Role of communication in business; communication process; causes of communication failure (semantics, distraction, misrepresentation, information retention, perpetual factors); overcoming communication problems; communicating in organizations (downward, upward and horizontal).
Discuss the different communication channels.	Communication channels (capacity, modifiability, duplication, one-way vs. two way, appropriateness, selecting channels)
Explain the use of modern technology in communication.	Communication networks; grapevine; use of modern technology.

B) Basics of business writing and correspondence (40%)

Basics of business writing (10%)	
Focus	Content
Describe the essential components of business writing.	The STF Model: Start, Text and Finish aligned with introduction, text and conclusion.
Illustrate use of the STF model in a piece of writing.	The three step writing process: planning business messages; writing business messages and completing business messages; theme vs. topic; features of business writing.
Business correspondence (30%)	
Focus	Content
Distinguish among different types of brief business correspondence.	Brief business correspondence: working with letters, memos, e-mail, circulars and instant messages:
Illustrate different types of brief business correspondence.	similarities and dissimilarities, structures and formats; essential contents.

Illustrate different types of longer business correspondence.

Illustrate visual presentation of information.

Illustrate simple referencing.

State formatting requirements and content of abstracts and executive summaries.

Prepare a curriculum vitae and a covering letter.

Longer business correspondence: working with report and proposal writing: components of reports and proposals; writing style

Visual presentation of information: tables, figures, exhibits.

Introduction to referencing.

Formatting requirements; abstracts and executive summaries.

Preparing a curriculum vitae: Contents and form; covering letter.

C) Oral business communication (20%)

Focus	Content
Describe different types of oral communication in the workplace.	Types of oral communication in the workplace.
Describe essential features of an effectively conducted meeting.	Meetings: conducting and participating in meetings (purpose, setting the agenda, writing minutes, role of chairperson/ secretary).
Demonstrate conduct of an effective meeting.	
Describe essential features of an effective negotiation session.	Negotiations: participating in negotiations (purpose, opening, tight/ loose properties, making compromises).
Demonstrate conduct of an effective meeting.	
Describe essential features of an effective telephone conversation.	Telephone calls: use of the telephone (originating and receiving calls, handling different types of calls; courtesies and politeness).
Demonstrate conduct of an effective meeting.	

D) Business presentations (10%)

Focus	Content
Describe essential features of an effective slide show presentation.	Slide-show presentations: preparing presentations using software; features of an effective slide show (number of slides, contents, lettering, background, formatting).
Demonstrate an effective slide show presentation.	Effective delivery (pace, gestures, eye-contact, use of pointer).
Describe essential features of a prepared and impromptu speech.	Prepared and impromptu speeches (contents: opening, body and closure; sequence of ideas, body language, tone, emphasis, pauses, poise and eye-contact).
Demonstrate an effective prepared speech.	
Demonstrate an effective impromptu speech.	

E) Business etiquette and social manners (10 %)

Focus	Content
Explain purpose and benefits of etiquette and social manners.	Purpose and benefits of etiquette and manners in professional life.
Demonstrate business etiquette and social manners.	

Learning Aids

Mandatory reading:

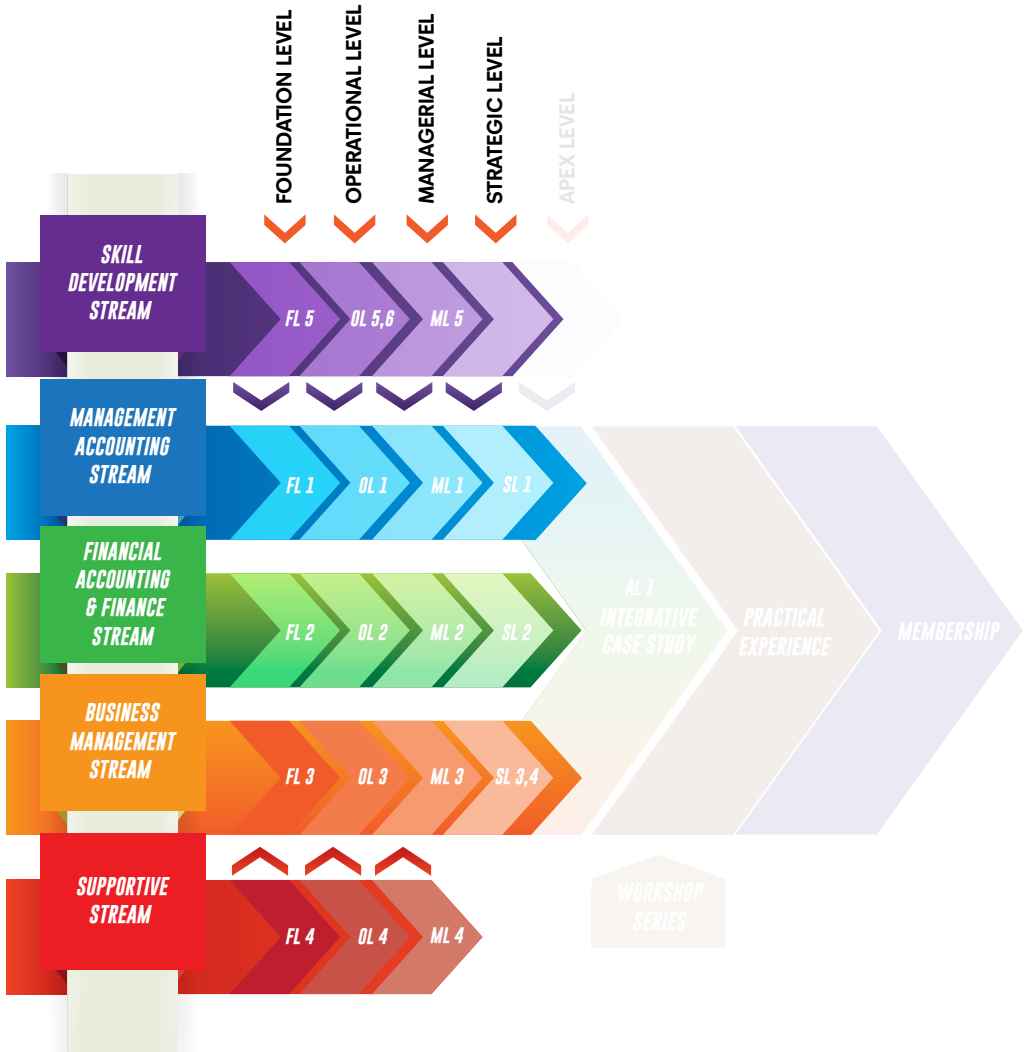
Study Pack on Professional Communication 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Bovee, C & Thill, J 2012, **Business Communication Essentials**, Pearson Prentice Hall, New Jersey

Fonseka, KBM 2009, **A Guide to Academic Writing**, University of Sri Jayewardenepura Colombo

CMA STUDY PROGRAMME
LEVEL 4 - STRATEGIC



Code	Title	Status
SL 1	Strategic Management Accounting	Core
SL 2	Financial Strategy & Valuation	Core
SL 3	Business Strategy (70%) & Risk Management (30%)	Core
SL 4	Corporate Governance (40%), Control Strategy (40%) & Ethics (20%)	Core

SL1: STRATEGIC MANAGEMENT ACCOUNTING (SMA)

Introduction

A central function of Management Accounting is the provision of requisite information to support the achievement of the organisation's business strategies. Knowledge of various facets of a strategic management accounting system that support the organizational strategy is vital for any management accountant. The aim of this strategic level course unit is to equip students with strategic management accounting systems and other vital strategic considerations in management accounting for gaining sustainable strategic advantage for organizations. While discussing the evolving role of management accounting and the corporate sustainability practices together with contemporary issues, this course unit also deliberates on the emerging directions of management accounting/accountants to support the achievement of corporate objectives.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Evaluate the role and functions of strategic management accounting in organizations;
- Critically assess changes and strategic issues in management accounting;
- Evaluate management accounting for corporate sustainable development; and
- Discuss contemporary issues/developments in strategic management accounting.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Strategic management accounting systems	25	22
B	Strategic considerations in management accounting	20	18
C	Change in Management accounting	15	14
D	Management accounting for corporate sustainability	25	22
E	Contemporary issues in strategic management accounting	15	14
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition, will be of three hour duration.

Part I (40 marks): Compulsory question (scenario-based)

Part II (60 marks): Consists of four questions out of which three questions should be attempted. Thus, the students will attempt the compulsory question and three other questions.

Contents

A) Strategic management accounting systems (25%)

Focus	Content
Discuss the functions/characteristics of Strategic management accounting (SMA).	SMA and conventional MA; SMA as intersection of MA with other disciplines; key areas of SMA; characteristics of SMA; SMA and strategy themes; directions in SMA.
Evaluate the linkages between strategic management and other disciplines with SMA.	SMA requirements; link between strategic management and financial management and SMA;
Evaluate various facets of SMA in the planning and positioning process.	role of SMA in corporate strategic planning and strategic positioning; SMA for changing business strategies at launch, growth, maturity and decline phases of a product life cycle (PLC).
Evaluate the role of SMA at different strategies applicable in different phases of the product life cycle (PLC).	
Discuss value chain analysis and accounting.	Value chain analysis and accounting: value chain analysis vs. value added analysis; corporate value chain vs. individual product's value chain;
Evaluate the use of management accounting systems in corporate value chain.	management accounting systems in the value-chain framework.
Discuss competitor analysis and accounting.	Competitor analysis/ competitor accounting: steps; ingredients; sources of information; problems with competitor accounting; management accountant's role in competitor analysis; contingency view of competitor accounting.
Evaluate the use of competitor analysis as a part of SMA.	
Evaluate the operating aspects of a SMA system.	Critical Success Factors; introducing and operating a SMA system; SMA as a decision support system.

B) Strategic considerations in management accounting (20%)

Focus	Content
Advise on strategic considerations in pricing.	Pricing policies and strategies; product life cycle and pricing; strategic considerations other pricing strategies (discriminative, predatory, controlled, bundled, loss leader, discount).
Advise on strategic considerations in capital investments.	Project abandonment; use of information technology in project planning; strategic issues in implementation and control.
Advise on strategic considerations in the use of the Balanced Scorecard (BSC).	Use of financial and non-financial measures in strategy implementation and BSC; implementing a BSC project; aligning the BSC to strategy; features of an effective BSC; pitfalls in implementing a BSC.

Evaluate the strategic issues in performance measurement in multinational organizations.

Responsibility accounting in Multi-National Companies (MNCs) (decentralization in multinational companies, international transfer pricing issues, OECD guidelines in setting up transfer prices; alms length principle and its applications for tangible and intangibles such as CUP, Resale price, Cost plus, Comparable profits, Profit split, CUT).

C) Change in management accounting (15%)

Focus	Content
Evaluate the changes in the business environment that propel management accounting change.	Changing competitive environment; changing product life cycles; impact of information technology (including enterprise resource planning-ERP) and new production technology; use of big data for strategic advantage; transformation from cost accounting to management accounting to strategic management accounting.
Discuss the approaches, perspectives and theories on management accounting change.	Mechanistic and post-mechanistic approaches; Rational, Interpretive, Critical perspectives; Transaction Cost Theory, Agency Theory; Contingency Theory.
Evaluate the evolving role of the management accounting/accountant.	Future directions/trends and challenges of management accounting; present (traditional) role played by management accountants; evolving role of the management accountant (new knowledge, skills required by management accountants and ethical considerations).

D) Management accounting for corporate sustainability (25%)

Focus	Content
Evaluate new developments in management accounting in relation to sustainability.	Drivers of corporate sustainability; triple bottom line accounting; business case for sustainability;
Discuss sustainability in relation to risk management and competitive advantage.	sustainability as a part of risk management; sustainability integration for competitive advantage.

Discuss various facets of Environmental Management Accounting (EMA).

Apply various EMA techniques.

Discuss the challenges in applying EMA.

Discuss the social dimension of sustainability.

Recommend avenues for integrating sustainability into management accounting and performance measurement.

Discuss the importance of managing sustainability in the value chain.

Discuss various reporting frameworks available for sustainability and corporate reporting.

Evaluate the importance of sustainability assurance and assurance standards.

Evaluate the Sri Lankan perspectives on sustainability management accounting (SMA).

EMA scope and dimensions (Integrated EMA framework of Burritt et al (2002) is expected to cover here); EMA benefits. EMA techniques (accounting for energy, water footprint accounting, waste accounting including the importance of waste management hierarchy, carbon accounting, material flow cost accounting; life cycle accounting); roadblocks and challenges to implement EMA.

Dimensions of social sustainability, challenges in accounting, social return on investment (SROI).

Different ways of integrating sustainability into corporate management and performance measurement [with using Sustainability Balanced Scorecard- SBSC]; role of a management accountant; sustainability in the value chain.

Sustainability reporting based on Global Reporting Initiative (GRI) Guidelines, Integrated Reporting, sustainability assurance and AA1000 Assurance Standard & ISAE3000.

Sri Lankan SMA practices; common challenges for SMA implementation; role of finance professionals; role of professional accounting bodies in supporting/ promoting SMA.

E) Contemporary issues in strategic management accounting (15%)

Focus	Content
Discuss connections between management accounting and changing operations management. Evaluate interactions between modern information technology and management accounting.	Issues in new operations management practices; management accounting in material requirement planning and just-in-time systems and lean manufacturing environments; Development of IT for management accounting purposes.
Evaluate management accounting as practiced in developing countries.	Management accounting practices in developing countries with emphasis on Sri Lanka; challenges for management accounting in developing countries.
Evaluate the use of/need for management accounting guidelines (MAG), cost accounting standards, cost audits and assurance standards.	Developments and applications of MAG; cost accounting standards and assurance standards (global practices, applications, challenges); cost audits.
Discuss the management accounting challenges in public private partnerships (PPP) and government sector.	PPP investment appraisal and challenges; key issues for public sector management accountants/ accounting.

Learning Aids

Mandatory reading:

Study Pack on Strategic Management Accounting 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Hogue, Z2006, **Strategic Management Accounting**, Australia: **Pearson Education. (ZH)**

Wickramasinghe, D & Alawattage, C 2007, **Management Accounting Change: Approaches and Perspectives**, Routledge, New York

SL 2: FINANCIAL STRATEGY & VALUATION (FSV)

Introduction

The financial strategy of a business should be compatible with the overall business strategy for business success. This strategic level course unit examines finance issues from financial and strategic management perspectives. It covers the analysis of corporate finance decisions at length enabling the student to develop a suitable policy framework for the financial strategy of an organization. In addition, several special areas of finance such as mergers and acquisitions, business valuation and international corporate finance, a knowledge of which is imperative for a decision maker to decide on a financial strategy for an organization are given due consideration in the course.

Learning Outcome

On the successful completion of the unit, students will be able to:

- Discuss the importance of long-term financing for an organization;
- Evaluate mergers, acquisitions and business valuation decisions;
- Discuss issues in international corporate finance; and
- Advise on how to match the financial strategy with the overall business strategy.

Syllabus structure

The main topics covered in the syllabus and their relative weightings are as follows:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of financial strategy and policy	10	09
B	Long- term financing	15	13
C	Cost of capital and long-term financial strategy	25	23
D	Mergers, acquisitions and business valuation	30	27
E	International corporate finance	20	18
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition, will be of three hour duration.

Part I (40 marks): Compulsory question (scenario-based)

Part II (60 marks): Consists of four questions out of which three questions should be attempted. Thus, the students will attempt the compulsory question and three other questions.

Contents

(A) Overview of financial strategy and policy (10%)

Focus	Content
Evaluate the role of financial strategy and policy formulation in the organization.	Introduction to financial strategy and policy; relationship between financial strategy and business strategy (life cycle approach, BCG matrix approach); managing financial strategy in different phases of corporate life (investment, financing and dividend decisions).

(B) Long-term financing (15%)

Focus	Content
Discuss the sources of long-term financing means.	Debt securities and their attributes.
Discuss the process of raising funds in the capital market.	Equity financing: common vs. preferred shares (rights, and tax implications); process of raising funds in the capital market;
Discuss the financial management issues in SMEs with especial relevance to Sri Lanka.	Financial management of small and medium sized businesses (available sources and restrictions, going public); Venture capital; angel financing; crowd funding.
Discuss bond valuation.	Valuation of bonds and five theorems of bond pricing.
Discuss share valuation.	Valuation of preference shares. Valuation of Ordinary shares: dividend discount models, price multiples(P/E, P/B).

(C) Cost of capital and long-term financial strategy (25%)

Cost of Capital (08%)	
Focus	Content
Discuss cost of capital.	Components of cost of capital; required return versus cost of capital; financial policy and cost of capital
Evaluate different sources of funds from the organization's point of view.	Cost of debt and cost of equity; weighted average cost of capital; marginal cost of capital.
Capital structure policy (10%)	
Focus	Content

Discuss the composition of capital structure.	Overview of capital structure and financial structure
Discuss the effects of financial leverage.	Operating leverage; financial leverage and combined leverage.
Discuss capital structure theories.	Optimal capital structure and the cost of capital; Modigliani and Miller (M&M) propositions; bankruptcy costs; pecking order theory.

Dividends and dividend policy (07%)

Focus	Content
Evaluate different types of dividend payments and their economic consequences.	Cash dividends and dividend payment; share repurchase; share dividends (bonus share issue).
Advise on the factors to be considered in the development of a dividend policy.	Taxes; cost of issuing new shares; legal requirements, desire for current income; uncertainty resolution; information content of dividends; the clientele effect; residual dividend policy; dividends stability
Discuss dividend theories.	Dividend relevance; dividend irrelevance; residual income theory; bird in the hand theory; dividend signaling theory.

(D) Mergers, acquisitions and business valuation (30%)

Focus	Content
Discuss the basic forms of acquisitions.	Merger or consolidation; acquisition of a stock; acquisition of assets; classification scheme.
Determine the synergy from acquisitions and sources of synergy from acquisitions.	Revenue enhancement; cost reduction; tax gains; cost of capital.
Determine the value of a firm after acquisition.	Value of a firm after acquisition; determination of the NPV of a merger.
Evaluate merging decisions.	Divestiture; corporate charter; exclusionary self-tenders; leveraged buyouts; golden parachute ; crown jewels; poison pills.
Evaluate the defensive tactics against acquisition.	
Apply different approaches to business valuation.	Price multiples; discounted cash flow method, economic profit method, adjusted present value method.

(E) International corporate finance (20%)

Focus	Content
Discuss international corporate finance.	Introduction to international corporate finance; objective of a firm; agency problem.
Discuss the issues in financial management in MNCs.	Foreign exchange markets and exchange rates; spot rates and forward foreign exchange rates; international parity conditions.
Discuss exchange rate determination.	

Discuss foreign exchange exposure and hedging techniques

Transaction exposure; accounting exposure; economic exposure; hedging techniques (forwards, futures, options, swaps).

Discuss capital budgeting in an international context.

Parents' perspective vs. subsidiary perspective; Determination of cash flows; blocked funds; cannibalization.

Learning Aids

Mandatory reading:

Study Pack on Financial Strategy & Valuation 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Ross, SA, Westerfield, RW and Jaffe, J 2016, **Corporate Finance**, McGraw-Hill, NY

Koller, T, Goedhart, M & Wessels, D 2010, **Valuation: Measuring and Managing the Value of Companies**, John Wiley & Sons, Australia

SL 3: BUSINESS STRATEGY AND RISK MANAGEMENT (BSR)

Introduction

All managers and decision makers in organizations are required to address the challenges of managing their entities operating in complex and contemporary business environments. This course covers a holistic and long-term strategic inquiry into organizations by identifying the driving forces of competitive markets with emphasis on the complexity of resource allocation under uncertainty. It addresses the need to develop firm-specific capabilities that are flexible and responsive to changing situations. Further, uncertainty and change linked with business strategic decisions probe the need for addressing the risk involved in those strategic decisions and employing the best risk management strategies for sustainable competitive advantage. Business Strategy and Risk Management is a capstone course unit which requires students to integrate and synthesize the knowledge already gained through courses such as Management and Economics, Accounting, MIS, Marketing and HR.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Critically analyze corporate level and business level strategies for organizational success;
- Evaluate key ingredients for the successful implementation of strategy;
- Recommend strategic control systems and the desirable attributes of strategic performance measures and techniques;
- Evaluate and advise on organizational specific scenarios related to strategy; and
- Identify, assess and recommend strategies for mitigation of risks.

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Overview of strategic management	20	18
B	Setting strategic direction and strategy formulation	20	18
C	Strategy implementation	15	14
D	Strategic review and control	15	14
E	Strategic risk management	30	26
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition, will be of three hour duration.

Part I (40 marks): Compulsory question (scenario-based)

Part II (60 marks): Consists of four questions out of which three questions should be attempted. Thus, the students will attempt the compulsory question and three other questions.

Contents

A) Overview of strategic management (20%)

Focus	Content
Distinguish between strategy and strategic management.	Strategy and strategic management: advantages and disadvantages of formal strategic planning; stances of strategy; strategy as plan, position, perspective, pattern and ploy; emergent and deliberate strategies.
Evaluate the formal strategic planning process.	Five tasks of strategic management: strategy formulation, strategy implementation and strategic control and review.
Evaluate the tasks of strategic management.	Strategic management as an on-going process; importance of strategic planning.
Evaluate the role of strategic management as an organizational function.	Nature of business environment; Organization as an open system; external environment (PESTEL factors); regulatory framework (global & local) and implications for organizational strategy, Internal capabilities and weaknesses. Industry (industry's dominant features) & competitor analysis (Porter's five forces model); SWOT analysis.
Appraise the external and internal environment of an organization	Analyzing and mapping stakeholders, Impact of corporate governance in strategy making and implementation; different levels of CSR; Importance of CSR in the process of strategy; Triple P Concept and sustainable strategies.
Analyze the power and the importance of stakeholders and the importance of CSR in the process of strategy	

B) Setting strategic direction and strategy formulation (20%)

Focus	Content
Compare and Contrast strategic thinking and strategic planning	Different schools of strategic management; strategic planning Vs strategic thinking, Industry foresight; Strategic fit Vs strategic intent.
Evaluate vision, mission, goals and objectives at different levels of the organizational hierarchy.	Vision, mission, core values, goals, objectives and targets; stakeholder interests; planning and strategy at different levels of the organizational hierarchy (corporate, business, functional and operational).

Evaluate the different strategic models in the strategy formulation process.	Porter's generic strategies & later refinements; critical success factors & competencies; benchmarking; value chain analysis; Ansoff's product- market matrix; portfolio analysis – the BCG matrix, GE business screen and Shell directional policy matrix.
Evaluate the relationship between strategy and the product life cycle.	Product life cycle & strategy; strategy and competitive advantage in diversified companies.
Advise on the strategies for growth.	Corporate level strategies; organic or internal growth vs. external growth via. mergers and acquisitions;
Recommend different strategies for different circumstances.	strategic alliances; vertical integration strategies; unbundling and outsourcing strategies; offensive vs. defensive strategies;
Evaluate the role of the management accountant in the strategy developing process.	strategies for competing in global markets; business models and strategies in the internet era; role of the management accountant.

C) Strategy implementation (15%)

Focus	Content
Evaluate McKinsey's framework as a means of strategy implementation.	McKinsey's 7s framework for strategy implementation; SAF(suitability, Acceptability & Feasibility) The role of organizational structure, leadership and culture in strategic implementation.
Advise on the determinants of success in strategy implementation.	Managing the organization to promote better strategy execution; building resource strengths and organizational capabilities: importance of staff & HR skills & efficient internal systems and processes (budgets, supportive policies and procedures, support systems, supportive reward systems and initiating best practices) for strategy execution; strategy & organizational culture; role of leadership in strategy; Business Process Re-engineering (BPR); strategic implications of IT.
Evaluate the role of change management in implementing strategic change.	Managing organizational change in implementing strategic change.

D) Strategic review and control (15%)

Focus	Content
Evaluate the strategic control systems in terms of functions, levels and other dimensions.	Designing strategic control systems: the function of strategic control; levels of control; an agency theory perspective on organizational control; bureaucratic costs and organizational control systems; matching structure and control to strategy.

Evaluate the limitations of traditional financial controls.	Traditional financial/budgetary controls & their limitations; desirable features of strategic performance measures.
Evaluate BSC as a control technique.	Balanced Scorecard (BSC) as a more sophisticated control technique
Discuss the role of contingency planning in strategic control and review.	Contingency planning in strategic control and review.

E) Strategic risk management (30%)

Focus	Content
Compare and contrast different types of risks of an enterprise.	Risk management and strategy; what is enterprise risk; categorization of risks; describing risks and linking practical examples to different types of risks.
Discuss the importance of enterprise risk management for strategic advantages.	Risk management philosophy; risk appetite, enterprise view of risk management; strategic framework for risk management; benefits of an effective risk management system; characteristics of an effective risk management system.
Identify, assess and mitigate risk involved in strategic decisions.	Risk management practices; identifying potential risks that may affect the enterprise; risk assessment; risk response; key risk indicators; control activities; information and communication for making awareness on risks; monitoring risk management; governance, risk and compliance.
Unforeseen and unforeseeable Risk.	Types of unforeseen risk, unforeseeable risk and types; risk response and management.
Analyze case studies on strategic risk management.	Cases on Strategic Risk Management.

Learning Aids

Mandatory reading:

Study Pack on Business Strategy and Risk Management 2017, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Hill, C, Jones, G & Schilling, M 2014, **Strategic Management Theory: An integrated approach**, Cengage, USA

David, FR 2011, **Strategic Management: Concepts and Cases**, Prentice Hall, India

Thompson, AA, Strickland, AJ, Gamble, JE. & Jain, AK 2010, **Crafting and Executing Strategy**, Tata McGraw Hill. New Delhi

Roberts, A, Wallace, W & McClure, N 2003, **Strategic Risk Management**, Pearson Education

SL4: CORPORATE GOVERNANCE, CONTROL STRATEGY & ETHICS (GCE)

Introduction

This course unit consists of three interrelated components, namely, corporate governance, control strategy and ethics. Corporate governance provides a holistic perspective on how entities are directed and controlled and thereby captures the performance and conformance dimensions, which are imperative to comprehend at the strategic level. The other interrelated component, control strategy, provides an understanding of the controls necessary for proper corporate governance in entities with an emphasis also on auditing as a control mechanism. Finally, the ethics component provides the much required ethical perspectives and principles in the contemporary corporate world.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Discuss the concepts of corporate governance, control strategy and ethics in the business environment;
- Evaluate different corporate governance mechanisms
- Evaluate the internal controls of an organization;
- Evaluate aspects of external, cost and management audits in risk and control strategy;
- Critically evaluate the importance of ethics in a corporate context; and
- Assess issues relating to corporate governance, controls and ethics

Syllabus Structure

The main topics covered in the syllabus and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	Corporate governance	40	36
B	Control strategy	40	36
C	Ethics	20	18
Total		100	90

The contents are to be covered in about 90 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition, will be of three hour duration.

Part I (40 marks): Compulsory question (scenario-based)

Part II (60 marks): Consists of four questions out of which three questions should be attempted. Thus, the students will attempt the compulsory question and three other questions.

Contents

A) Corporate governance (40%)

Introduction to corporate governance (5%)

Focus	Content
Discuss the concept of corporate governance.	Different definitions of corporate governance;
Discuss the scope of corporate governance.	individual, organizational, and societal scopes of
Discuss the importance of corporate governance.	corporate governance; importance of corporate governance.

Theories and modes on corporate governance (5%)

Focus	Content
Discuss different theoretical perspectives that necessitate corporate governance.	Agency theory; stewardship theory; resource dependency theory; managerial and class hegemony; stakeholder philosophies; enlightened shareholder theory.
Evaluate different models of corporate governance.	American rules-based model; The UK/Commonwealth principles-based model; Continental European two-tier model; Japanese business network model.

Governance partnership (5%)

Focus	Content
Discuss the different parties involved in the governance partnership.	Shareholder rights; shareholder stewardship and activism; Shareholder information; different types of directors; directors' legal duties and rights; board leadership role of chairman; corporate officers.

Regulatory framework (10%)

Focus	Content
Discuss the laws and regulations pertaining to corporate governance.	Laws and regulation; Cadbury report, Higgs Report, Smith Report; Turnbull Report, codes of 'best practice' and norms of behavior (CA Sri Lanka and SEC Code); Sarbanes-Oxley Act; Principles or prescription: the governance debate.

Corporate governance mechanisms (10%)

Focus	Content
Discuss the roles of board of directors, board committees; internal controls and accountability aspects.	Board of directors; performance and conformance roles of the board of directors; audit committee; remuneration committee; nomination committee;
Recommend appropriate governance mechanisms.	other board committees; independent non-executive directors; internal control systems and accountability;
Evaluate the role of corporate governance in managing risk.	risk management and the US COSO integrated framework for Enterprise Risk Management (ERM).

Issues and new developments in corporate governance (5%)

Focus	Content
Discuss the issues associated with the implementation of corporate governance mechanisms.	Issues in the application of corporate governance controls; new developments promoted by different interest group.
Evaluate the new developments in relation to corporate governance.	

B) Control strategy (40%)**Management control systems (10%)**

Focus	Content
Evaluate management control theories.	Organization theory; systems theory; management control models: Anthony's theory of control, Otley and Berry's model of control, Simon's strategy of control and learning.
Evaluate the different types of management control systems in organizations.	Overview of management control systems: financial controls, non-financial quantitative controls and non-financial qualitative controls; financial accounting controls; management accounting controls; designing management control systems for an organization.
Advise on designing management control systems.	

Internal control systems (20%)

Focus	Content
Evaluate the role and components of internal control.	Internal control; internal control systems: control environment and control procedures; role of internal controls; components of internal control; COSO model of internal control; frauds and internal controls.
Evaluate the COSO model of internal control.	
Evaluate the role of internal control in mitigating frauds.	
Advise on the steps of the internal control procedure.	Internal control procedures: development of objectives, measurement of results, comparison of actual performance against objectives, analysis of causes for differences, determination of appropriate managerial action, taking action and continuing reappraisal; limitations of internal controls.
Evaluate the process of developing a system of internal control.	
Evaluate the limitations of a system of internal controls.	
Evaluate the role and scope of internal auditing an internal control system.	Need and scope of internal audit; systems-based auditing; risk-based auditing; risk assessment in auditing; risk management in auditing; audit planning, audit testing; analytical review; evaluation of audit findings; internal audit reporting.
Evaluate the purpose served by the different facets of an internal audit.	
Evaluate frauds as a source of risk to the organization.	Frauds and types of frauds; opportunity for frauds; fraud risk management strategy; fraud prevention; whistle blowing.
Recommend means of resolving fraudulent practices.	

Auditing as a control mechanism (10%)

Focus	Content
Evaluate the objectives and general principles governing an audit of financial statements (external audit).	Objectives of a financial statement audit, general principles and scope of an external audit; concept of reasonable assurance; internal control evaluation; audit risk and materiality; elements of an auditor's report; expression of audit opinion and types of opinion: unqualified opinion emphasis of matter, qualified opinion, disclaimer opinion, adverse opinion; auditing standards.
Discuss various other types of audits.	Cost audits: nature, scope and objectives; efficiency audit; value for money audit; management audit; compliance audits; performance audit; environmental audit; social audit.
Advise on the basic operationalization aspects of management audits.	Management audit: nature, scope and objectives; organizational needs for management audit and its coverage over and above other audit procedures; areas of audit: review of internal control, purchasing operations, manufacturing operations, selling and distribution, personnel policies, systems and procedures; auditing process and systems; auditing the Management Information System (MIS).

C) Ethics (20%)**Concept of ethics (5%)**

Focus	Content
Evaluate the importance of corporate ethics.	Definitions of ethics; importance of corporate ethics.
Discuss theories on ethics.	Deontological and teleological views of ethics; cognitive moral development theory; ethical decision making.

Professional and corporate ethics (15%)

Focus	Content
Discuss profession and professionalism.	Profession and professionalism; public interest; Code of Ethics of the International Ethics Standards Board for Accountants (IESBA, 2016); fundamental ethical principles; threats and safeguards.
Evaluate the principles of code of ethics.	

Advise on the means and problems of enforcing a code of professional conduct.

Evaluate ethical issues and dilemmas.

Recommend means of resolving ethical conflicts.

Issues in enforcing a code as against set of rules; steps/measures that could be taken to improve compliance.

Ethical issues; ethical issues and risk; ethical

dilemmas; steps in resolving ethical issues and dilemmas

Learning Aids

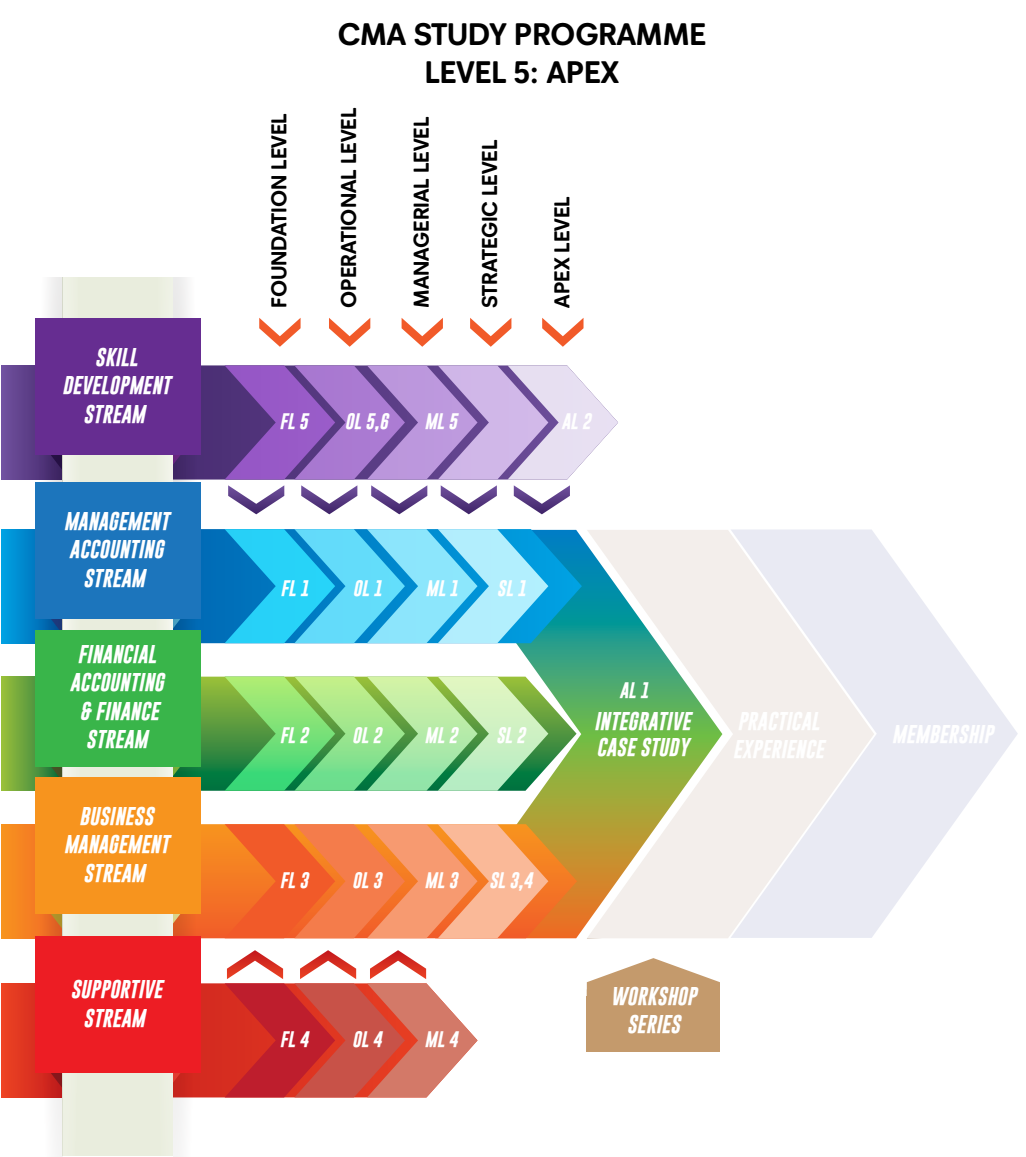
Mandatory reading:

Study Pack on Corporate Governance, Control Strategy & Ethics 2017, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Tricker, B 2012, **Corporate Governance: Principles, Policies and Practices**, Oxford University Press.

International Ethics Standards Board for Accountants (IESBA) 2016, Handbook of the Code of Ethics for Professional Accountants 2016, International Federation of Accountants



Code	Title	Status
AL1	Integrative Case Study	-
AL2	Computer Based Accounting (CBA)	Skills

AL 1: INTEGRATIVE CASE STUDY

Introduction

The Integrative Case Study (ICS) is an apex level course unit of the study programme leading to the CMA (Sri Lanka) qualification. It is the capstone of the 13 core course units, 3 supportive course units and 5 skill course units spread over the five levels of the hierarchy, viz., Foundation, Operational, Managerial, Strategic and Apex. ICS adopts a holistic approach to problems and issues in organizations instead of a narrow, subject-specific outlook. More specifically, it focuses on the synthesis, critique, analysis and evaluation of the technical knowledge, professional skills and professional values, ethics and attitudes gained in the course units with the objective of prioritizing, advising and recommending courses of action to be taken.

A well-rounded and extensive training in looking at organizations from an integrated perspective is imperative for management accountants as their implicit and explicit role in organizations is not confined to specific functional domains. It is this requirement that the ICS attempts to address and fulfill.

Learning Outcomes

On successful completion of the ICS course unit, the candidates will be able to:

Prioritize, advise and recommend courses of action to be taken based on the synthesized technical knowledge, professional skills and professional values, ethics and attitudes acquired through the learning of functional disciplines with a view to arriving at informed judgments aimed at organizational success/effectiveness. This will be achieved through synthesis, critique, analysis and evaluation of the given case.

Contents

The Case Study is based on a hypothetical organization drawn from the private, public or NGO sector. It can be either from the industry sector or the services sector and would be further defined along dimensions such as degree of diversification, industry competition, ownership and affiliations, size, complexity, etc. Further, it is assumed to be in constant interaction with its external environment with ramifications both on the organization and vice versa.

The given organization typically faces a problem/ issue/ an unsatisfactory state of affairs, which requires the attention of the management accountant with a view to finding solutions. Thus, the candidate is required to play the role of management accountant/ consultant in advising on /recommending courses of action to be taken.

In this exercise the candidate will assume that he/she is part of the organization. This is possible only through an intensive study of the organization from a holistic instead of a compartmentalized perspective. A critical examination of what has been imparted in the core, supportive and skill course units and selecting an appropriate line of analysis will be useful here.

Method of Operation

The ICS consists of two phases:

Phase I: The students will be provided with a scenario (Scenario 1) consisting of preliminary data about the organization (products and markets, resources at disposal, ownership, past performance and its environment) approximately six weeks prior to the examination. They are required to study the data/ information carefully and carry out any preliminary study/synthesis/ analysis they consider appropriate. This invariably requires internalizing the given data/ information and coming to grips with the given organizational context and the reported issues.

Phase II: At the examination, students will be provided with the entire case study, which consists of Scenario I (already given) and Scenario II containing additional information including the specific problem / issue / unsatisfactory state the organization is faced with. At this point, students are required to study Scenarios I and II together and answer the questions listed at the end of the case study.

It is important to note that candidates will not be allowed to bring copies of Scenario I (provided earlier) into the examination hall.

The examination is of three hours' duration with an additional reading time of 15 minutes.

Case Study Questions

Case study questions will be of two types: (i) Accounting (Financial and Management) and Finance based (50%) and (ii) Business Management based (50%). This is related to the three pillars the study programme is based on. Two or three questions from each area will be given which may contain sub-sections.

Accounting and Finance-based questions will test the students' knowledge and skills in the technical areas of Financial Accounting, Management Accounting and Finance. It will largely take a calculative, interpretive and prescriptive approach. In answering the questions, in addition to depending on core subjects from these areas of study, candidates are required to draw from technical subjects such as taxation and business law of the supportive stream.

Business Management-based questions will test the students' knowledge and skills associated with the functional level courses of the Business Management stream. It will largely take a descriptive, interpretive and prescriptive approach.

However, it is important to remember that there is constant interaction / dependence between the two areas. In responding to the questions students have to take a holistic view of the organization (and not consider it in water-tight compartments) and therefore, synthesis, analysis and evaluation of alternatives have to be carried out accordingly. The division of questions into these two broad areas is largely for recognition of the two domains and to facilitate candidates to pay attention to these two organizational facets.

Organization of the Answers and Evaluation

The answers have to be organized in the format of a report. The organization of the questions will support this requirement. The answers have to be presented in well-appointed paragraphs arranged in logical sequence with proper use of tables, charts etc.

The scheme of evaluation will consist of several dimensions: Knowledge, Applications; Integration; Prioritization, Decisions and Presentation. The aspects examined and the relevant weightings are as follows:

Aspect of evaluation		Weighting (%)
1	Knowledge (Ability to demonstrate knowledge acquired in the course of following the Financial Accounting, Management Accounting, Finance and Business Management course units as well as supportive and skill course units). A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	30
2	Applications (Ability to come out with practical solutions based on the knowledge and skills gained through synthesis, analysis and calculative practices). A high level application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	20
3	Integration (Ability to examine a problem/ issue in a holistic sense through drawing from diverse functional disciplines). A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	15
4	Prioritization (Ability to demonstrate a rational, balanced outlook supported with evidence to unearth issues and rank them in the order of priority). A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	15
5	Decisions (Ability to come out with viable decisions and implementable recommendations) A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	10
6	Presentation I (Ability to structure answers in logical sequence (structure, logic and sequencing) continuing from above.) A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks.	05

7 **Presentation II**

05

(Attention to be paid to writing clear and logical paragraphs/ reports. Legible handwriting free of syntax and spelling errors is emphasized.)

A high level of application will merit top 25%, medium level application middle 50% and low level of application for the lower 25% of marks.

Important

In essence, ICS is expected to be a self-fulfilling experience for candidates because it provides them with an opportunity to test how different concepts, theories and techniques can be applied to advantage in a real life situation. While candidates are required to present creative, but practical, suggestions and recommendations they should also be presented in a logical, easy-to-understand style in correct English. In this, past papers and internalizing Scenario 1 for the next examination will be useful.

AL 2: COMPUTER BASED ACCOUNTING (CBA)

Introduction

This specialized skill course provides a comprehensive theoretical and practical knowledge in the application of a selected accounting software (e.g. Sage 50) in business data processing with a view to producing financial statements for both internal and external users of accounting information and generating reports that will be of value for managers in the decision making process.

Learning Outcomes

On successful completion of the course unit, students will be able to:

- Assess the advantages and disadvantages of a computer-based accounting system for business data processing;
- Demonstrate competency in accounting software technology and its application to business;
- Create basic ledgers, charts of accounts and source documents, and reports;
- Know the reporting requirements for internal and external purposes; and
- Use accounting software.

Syllabus Structure

The main topics covered in the syllabus blended with theory and practice together, and their relative weightings:

Segment	Topic	Weight (%)	Time (hrs.)
A	General Ledger Module	10	05
B	Vendors Module	10	05
C	Inventory Module	10	04
D	Customer Module	10	04
E	Transactions Processing Module	40	18
F	Banking Module	15	05
G	Report and Form Module	05	04
Total		100	45

The contents are to be covered in about 45 student contact hours. Time taken to cover contents of each segment is advised to be approximately proportionate to the weight assigned which is an indicator of its relative importance within the syllabus, as shown above.

Assessment

The test paper, with the following composition, will be of three hour duration.

Part I (40 marks): Compulsory question (scenario-based)

Part II (60 marks): Consists of four questions out of which three questions should be attempted. Thus, the students will attempt the compulsory question and three other questions.

Students will be awarded either a pass or fail grade in this course unit.

Contents

A) General ledger module (10%)

Focus	Content
Describe aspects related to basics of computer based accounting (CBA).	Overview of CBA; types of accounting software available; ERP System; working of ERP systems; introduction to Sage 50; features of Sage 50 accounting package; system requirements; installing Sage 50 accounting package for the first time; access rights.
Describe features of the Sage 50 accounting package.	Main desktop window; menu bar; navigation bar; navigation centers; tool bar; ledger windows; getting help; wizards.
Demonstrate creating a company.	Entering company information; selecting a method to create company; selecting accounting method; selecting posting method; selecting accounting periods.
Demonstrate setting-up general ledger.	Entering general ledger defaults; set up the rounding account; selecting account types; entering required accounts; numbering accounts; entering or modifying accounts; setting-up bank accounts; entering beginning balances/ prior-period adjustments; maintain budgets.

B) Vendors module (10%)

Focus	Content
Demonstrate setting vendor defaults.	Entering payments terms and conditions; credit limits; standard discounts; aging system; creating additional information fields; linking vendor module to other modules; payments methods.
Demonstrate creating a vendor ledger.	Planning supplier account codes; creating individual suppliers general information; adjusting and modifying supplier card; adding address details; entering purchased information; entering beginning balances to the vendor ledger.

C) Inventory module (10%)

Focus	Content
Demonstrate setting inventory defaults.	Entering general settings; ordering information; general ledger accounts setting; selecting costing method; setting taxes and shipping methods; creating additional field for more information's; price calculations.
Demonstrate creating inventory ledger.	Designing and entering coding system; selecting item class; entering general information's; adding additional information; creating bill of material; creating item attributes; entering serial numbering stock items; entering beginning balances to inventory ledger.

D) Customer module (10%)

Focus	Content
Demonstrate setting customer defaults.	Entering payments terms and conditions; credit limits; standard discounts; aging system; creating additional information fields; setting finance charges to customers; linking customer module to other modules; payments methods; setting tax system; editing taxes; creating statement/ invoice printing options .
Demonstrate creating a customer ledger.	Planning customer account codes; creating individual customer general information; adjusting and modifying customer card; creating customer contact information; entering sales information; payment information; entering beginning balances to the customer ledger.

E) Transactions processing module (40%)

Focus	Content
Illustrate transactions related to purchase order processing.	Overview of vendor tasks; entering purchase orders; receiving inventory/entering vendor invoices (entering bills); entering vendor credit memos; editing and deleting purchase transactions; generating vendor related reports.

Illustrate transactions related to sales order processing.

Overview of customer transactions; entering quotes; entering sales order; entering proposals; entering sales invoice; entering customer credit memos; editing and deleting sales transaction; applying finance charges to customers; generating customer reports and customer statements.

Demonstrate entering inventory transactions.

Using inventory terms in purchase and sales transactions; adding inventory items on the fly; inventory adjustments; build/ un-build assemblies; inventory counts; service inventory items; generating inventory reports.

F) Banking module (15%)

Focus	Content
Demonstrate aspects related to receiving money.	Applying receipts to sales invoices; entering cash sales; entering other receipts; select for deposit
Demonstrate aspects related to paying money.	Paying vendor bills; making other payments;
Describe handling of other banking tasks.	Handling recurring entries; using the account register; editing transactions on the account register; security for the account register; changing accounting periods; account reconciliation; void cheques; analysis tools; generating bank related reports.

G) Report and form module (05%)

Focus	Content
Demonstrate aspects related to running various reports	Accessing reports; modifying reports; modifying report options; changing columns or fonts; previewing a report; saving changes to a report; copying a Sage 50 report to Excel; report groups; financial statements; forms; business analysis; cash manager; collection manager; payment manager; financial manager.
Demonstrate aspects related to other tasks.	Maintain global options; accounting tab options; general tab options; Sage 50 tab options; spelling tab options; time and billing; creating time and expense items; entering time and expense tickets; billing time and expense tickets; backing up your data; restoring your data; year-end wizard; purge wizard.

Learning Aids

Mandatory reading:

Study Pack on Computer Based Accounting 2017, Certified Management Accountants of Sri Lanka, Colombo

Supplementary readings:

Help manuals available with the software

SECTION FIVE

WORKSHOP SERIES (FURTHER REQUIREMENT)

Candidates are required to successfully complete the workshop series on completion of the Apex Level but prior to applying for membership. It also lays the foundation for Continuing Professional Development (CPD) required to be fulfilled by CMA members. (Refer Chapter Nine for details).

The details of the workshop series are given below.

Workshop Series on Speech-craft and Life Skills

Introduction

Members of the CMA should, in addition to the knowledge and hard skills they have acquired in the study programme, be equipped with soft skills and life skills leading to development of holistic professionals. The purpose of this workshop series is to address the gap that exists between the desired and the existing attributes among potential professionals in this direction.

Learning Outcomes

On successful completion of the course unit the students will be able to:

- a. Demonstrate effective speech-craft competencies; and
- b. Demonstrate effective social and life skills.

Workshop Structure

The workshop series consists of 45 hours (15 sessions of three hours each) conducted in two modules: Advanced Professional Communication Skills and Life Skills. It will be conducted after the Integrative Case Study Examination. The sessions will take an interactive mode and will be conducted with the support of experts in the different spheres.

The themes for the workshop series are as follows:

Session	Theme
Module 1	
1	Overcoming fear and effective speech making
2	Meeting procedure and planning meetings
3	Structuring speech
4	Effective voice variation
5	Body language adding value to speech
6	Effective use of humor
7	Language, grammar, pronunciation including elegance in writing communication

- 8 Language, grammar, pronunciation including elegance in writing communication (cont.)
- 9 Effective use of power point in presentation
- 10 Impromptu speech making / free association

Module 2

- 1 Elegance in societal behavior
 - 2 Understanding others for effective teamwork
 - 3 Effective time management
 - 4 Effective personnel grooming and managing health
 - 5 Positive thinking and career planning
-

More information on contents and modus operandi will be provided in the aftermath of the Integrative Case Study examination.

Assessment

Participation in at least 7 sessions of Module 1 and 3 sessions of Module 2 is mandatory.

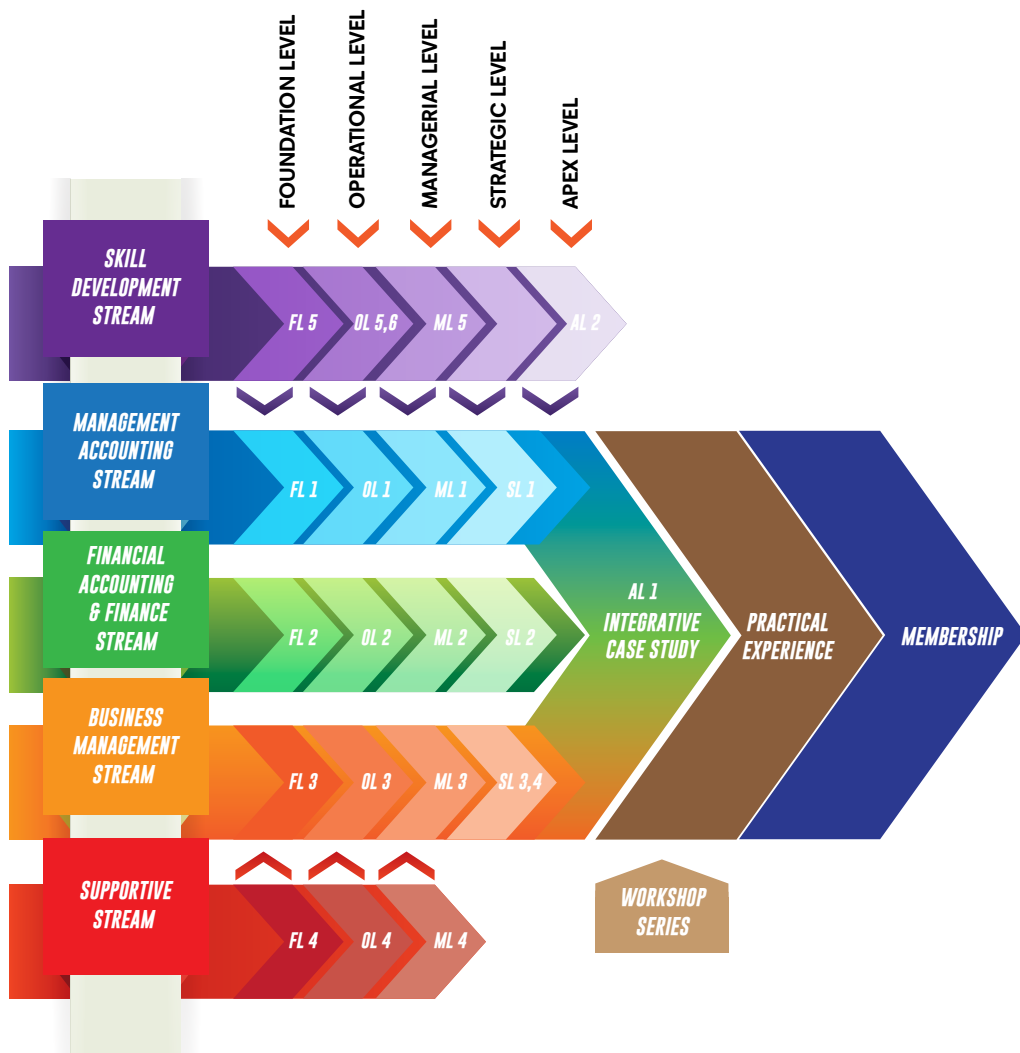
Module 1: A scheme of continuous assessment will be carried out during the workshops.

Module 2: Candidates are supposed to prepare and submit a professional development plan within two weeks of the completion of the sessions. This will be based on what they have assimilated in the workshop sessions.

It is mandatory that candidates fulfill the above requirement in addition to the compulsory practical training component prior to applying for Membership of the Institute. At the viva-voce examination candidates maybe questioned on the contents of the professional development plan that they have developed.

SECTION SIX

PRACTICAL EXPERIENCE REQUIREMENT AND APPLYING FOR MEMBERSHIP



Practical Experience Requirement

In order to apply for CMA membership candidates should fulfill a practical experience requirement (PER) of three years which can be acquired while completing or on completion of the study programme.

The three-year practical training framework has been designed to develop and demonstrate competent professionalism in accounting, finance and business management. Fulfillment of PER will enable candidates to develop the required knowledge, skills, professional values, ethics, and attitudes under the supervision of a competent mentor/training supervisor. Further, PER focuses on enhancing

technical, business, interpersonal communication, and personal skills of candidates.

Documentation of PER is done via the Logbook. Candidates will record their training/ work experience in the Logbook on a continuous basis which will be assessed by the mentor/ training supervisor. It is recommended that the work record is certified at least on a quarterly basis. The extent and quality of the practical experience gained will be intensively assessed by the Institute.

(Refer **CMA Practical Experience Requirement Guide** for details)

Applying for Membership

Candidates who have fulfilled the requirements of the study programme, workshop series and practical experience will be considered for award of the Institute's membership at an oral examination convened for the purpose.

They are required to submit the following when applying for membership: membership application; duly completed checklist; brief company profile; detailed CV; employment summary; service letters from employees; duly completed Logbook certified with the official seal by the mentor/training supervisor on each page and a certified copy of the final examination results sheet.

SECTION SEVEN

ASSESSMENT AND PROGRESSION

Assessment

Different components the study programme, workshop series and practical experience requirement will be assessed using a variety of methods.

The Study Programme

Modes of assessment of course units in the study programme comprise written, practical and oral examinations. Composition of the question paper and the scheme of assessment of each course unit are given in the relevant course syllabus. The pass mark for any core or supportive course unit is 50 and the grading scheme is given below (See Table 7.1). For skill course units grades of evaluation are either a pass or fail, where the pass mark is 50.

Table 7.1: Grading Scheme

Grade	Description
A	Distinction
B	Good Pass
C	Pass Standard
D	Marginal
E	Failure
F	Bad failure

Workshop Series

Assessment of the workshop series is carried out on a continuous basis and based on the preparation of a professional development plan.

Practical Experience Requirement (PER)

Assessment of PER will be carried out on a continuous basis by the mentor/training supervisor followed by an oral examination at the time of applying for membership.

Progression

The scheme of progression from one level to the next is as follows:

- (a) Candidates are required to successfully complete the core, supportive and skill course units of Level 1, Level 2 and Level 3 prior to progressing to Level 4.
- (b) Students can take a maximum of six course units (core, supportive and skill) from the first three levels at a time, subject to requirements (i), and (ii) given below:
 - i. Course units in the Management Accounting stream (FL1, OL1, ML1 and SL1) and the Financial Accounting stream (FL 2, OL 2, ML 2 and SL 2) and Law and Taxation (OL 4 and ML 4) and Business English stream (FL 5, OL 5 & ML 5) follow a logical sequence. In order to follow a higher level course unit the corresponding lower level course unit has to be successfully completed.
NOTE: Those who wish to apply the subjects in the next level need to apply together with the balance subjects in the previous level if any.
 - ii. Students need to sit for all subjects at one sitting at Level 1 and Level 4. Course unit-wise passes will be given. Individual course units can be attempted after the first sitting. Further, they are allowed to take Operational & Managerial Level examinations 'subject wise' as long as they meet the criteria for each of the levels.
- (c) The Integrative Case Study can be attempted only on successful completion of all four levels prior to it.
- (d) On completion of each level, candidates are eligible to receive the following certificate assigned to that level (See Table 7.2). Further, they will serve as exit points for those who wish to leave the study programme midway.

Table 7.2: Award of Certificates

Level	Certificate awarded
Foundation	Certificate in Accounting & Business Studies
Operational	Diploma in Accounting & Business Studies
Managerial	Advanced Diploma in Accounting & Business Studies
Strategic	Strategic Professional Certificate
Apex	Passed Finalist's Certificate

SECTION EIGHT

COMPLIANCE WITH FRAMEWORK FOR INTERNATIONAL EDUCATION STANDARDS (IES) FOR PROFESSIONAL ACCOUNTANTS AND ASPIRING PROFESSIONAL ACCOUNTANTS (2015)

The CMA Professional Programme complies with the Framework for International Education Standards for Professional Accountants and Aspiring Professional Accountants (2015). The scope of compliance is outlined in Table 8.1.

Table 8.1: Compliance with IES

IES	Coverage
IES 1: Entry Requirements	A fair and proportionate entry level qualification compatible with comparable professional accounting study programmes.
IES 2: Technical Competence	Stipulated competency areas are covered. The learning outcomes comply with the three levels of proficiency: Foundation, Intermediate and Advanced, as the programme advances from Level 1 to Level 5.
IES 3: Professional Skills	Stipulated competency areas are covered. The learning outcomes comply with the three levels of proficiency: Foundation, Intermediate and Advanced, as the programme advances from Level 1 to Level 5.
IES 4: Professional Values, Ethics and Attitudes	Stipulated competency areas are covered. The learning outcomes comply with the three levels of proficiency: Foundation, Intermediate and Advanced, as the programme advances from Level 1 to Level 5.
IE 5: Practical Experience	A clearly defined policy, rules and regulations and supervision and monitoring mechanisms are in place.
IE 6: Assessment of Professional Competence	Complies with stipulated formal assessment methods, principles of assessment with verifiable evidence.

SECTION NINE

CONTINUING PROFESSIONAL DEVELOPMENT

CMA is committed to (a) developing the professional competence of aspiring professional management accountants (Initial Professional Development, IPD), and (b) developing and maintaining the professional competence of professional management accountants (Continuing Professional Development, CPD). The CMA Professional Programme is devoted to fulfilling the requirements of IPD while the continuing development programme looks after CPD requirements.

The carefully designed and implemented CMA CPD programme is devoted to keeping its members updated on the new developments in the sphere of management accounting and allied fields on the frontiers of knowledge, practice and behavioral aspects. The competencies that they acquire through participation in the CPD programme will stand in good stead for them to provide a high-quality service to clients, employees, and other stakeholders. CPD is considered an integral component of a professional accountant's continuing membership of CMA, which paves the path for career progression and excellence at work.

(Refer **CMA CPD Guide** for details)



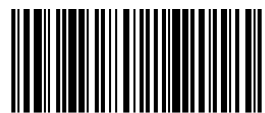
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