



**Equipping
Future Accountants**

CMA Professional Program
HANDBOOK 2023-2027



Incorporated by
Parliament Act No. 23 of 2009

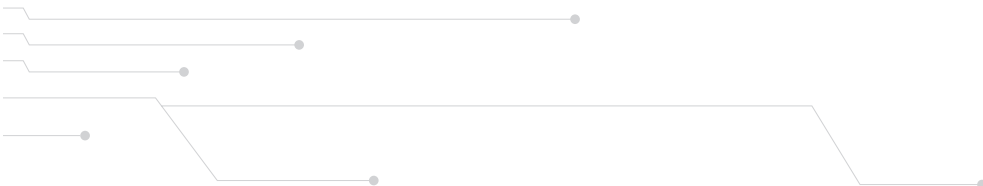
CMA Professional Program 2023 - 2027 HANDBOOK

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Institute of Certified Management Accountants of Sri Lanka



Cover-image depicts the program's vision to equip future accountants. It is primarily a lens through which you see the future. The lens needs to be constantly updated to keep abreast with the demands of the future that stem from the need for "value-driven" and "solution-savvy" management accountants. The circuit implies that they need to be "digitally-enabled," an attribute that acts as the central backbone through which all internal and external components connect.

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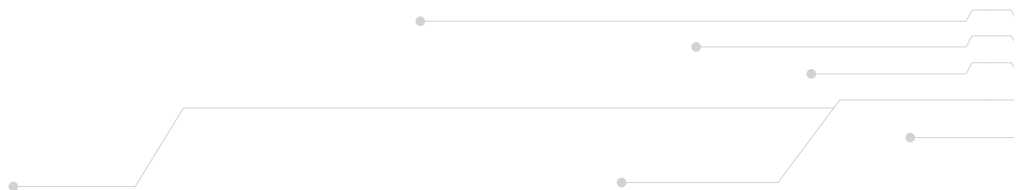
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Prof. Lakshman R Watawala
FCMA, FCA, FCMA (UK), CGMA, FCPM
President, CMA.

We are pleased to introduce the CMA Sri Lanka new Professional Program 2023-2027 which comes into effect from November 2023.

The consultants entrusted to revise the syllabus have considered the need to equip the CMA accountants to be future-ready while ensuring the current trends and global developments in the fields of finance and accounting. In developing the new syllabi, the views of various stakeholders were taken into consideration with a comprehensive analysis. Further, the revised syllabus is in accordance with the International Education Standards (IES) prescribed by the International Education Standards Board (IAESB) of the International Federation of Accountants (IFAC).

The objective of the CMA Professional Program is to equip professional accountants for the future while enabling them digitally, developing their technical competence, and positioning them for driving sustainable value creation. In order to meet this objective, the CMA Professional Program is revised every five years in keeping with the developments and trends in the field of accounting.

The revised CMA Professional Program carries significant improvements in terms of structure, focus, and depth of coverage. Also, it incorporates the latest developments not only in the finance and accounting fields but in the business management field as well. The new program highlights the importance of the management accounting function in playing a broader role in accounting, finance, business management, costing, and management to develop future-ready competent management accountants. Further, the developments in emerging fields such as sustainability, data science, visualization, and analytics have been comprehensively covered in the program to suit them to work in a global economy in both private and state sectors.

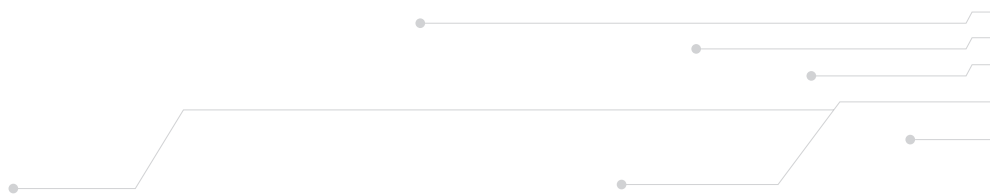
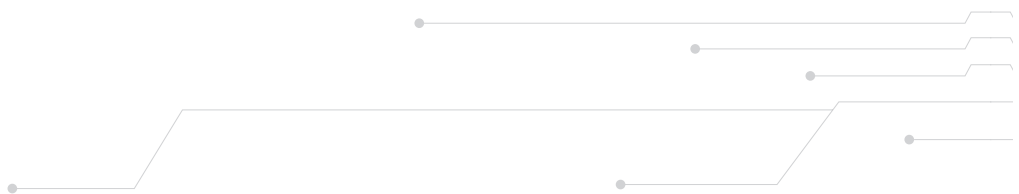


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SECTION ONE

INSTITUTE OF CERTIFIED MANAGEMENT ACCOUNTANTS OF SRI LANKA (CMA)

CMA was set up as the Society of Management Accountants in the year 1999 with the technical assistance of CMA Canada (now CPA Canada) and financial assistance from the Canadian International Development Agency (CIDA) by its Founder Prof. Lakshman R Watawala who was also responsible for the setting up of AAT Sri Lanka in 1984. CMA was launched in June 2000. CMA was incorporated by an Act of Parliament No.23 of 2009 as the National Professional Management Accounting Institution in Sri Lanka. Since its inception in June 2000, CMA has progressed to become a body with over 16,000 students and 2,100 members. The institute promotes the study and application of Management Accounting, Financial Accounting & Finance, Costing and Business Management, Digitization, Data Analytics, and Applications of IT through its Certified Management Accounting Study Program leading to a Professional Management Accounting qualification.

CMA is a member of the International Federation of Accountants (IFAC) the global body for the accounting profession with over 180 professional accounting bodies spread across 135 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), thereby joining the fraternity of professional accounting bodies in India, Pakistan, Bangladesh, Nepal, Sri Lanka, and Maldives. 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 and 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 as members of IFAC: 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 (ICMA) India, ICMA Pakistan, ICMA Bangladesh, CPA Australia, and several Sri Lankan state universities, higher educational institutes, and corporate entities.

Those who aspire to CMA membership are required to successfully complete the CMA Professional Program. On completion of all the relevant examinations and prescribed practical experience, they could apply for Associate Membership (ACMA) and those with work experience at the senior level for Fellow Membership (FCMA) of CMA. Through the Professional Program, they could acquire a high level of competence that 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 Program is revised every five years to keep abreast of the latest developments in accounting and other allied disciplines. This revision in 2023 is designed with the objective of equipping future accountants. 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. The revised program is a significant improvement in the focus, depth, structure and organization of course units, their connectivity and the content.

As a full member of the International Federation of Accountants (IFAC), CMA Sri Lanka strives to comply with the International Education Standards in The Handbook of International Education Pronouncements published by IFAC in 2019. The CMA Professional Program complies with the International Education Standards published by IFAC as described below (see Table 1.1).

Table 1.1: Compliance with IES Coverage

IES No.	Objective	CMA's Compliance
No.1: Entry requirements to professional accounting education programs	Prescribes the principles to be used when setting and communicating entry requirements.	<ul style="list-style-type: none"> ● Setting the entry requirements that will allow entrance only to those with a reasonable chance of completing the Professional Program successfully (see Section 2). ● Communicating these requirements publicly (e.g., CMA Handbook and Website).
No.2: Initial professional development – technical competence	Prescribes the learning outcomes for technical competence that aspiring professional accountants are required to achieve by the end of Initial Professional Development (IPD).	<ul style="list-style-type: none"> ● Covering areas such as financial accounting and reporting, management accounting, finance and financial management, taxation, audit and assurance, governance, risk management and internal control, business laws and regulations, information technology, business and organizational environment, economics, business strategy and management in its Study Program (see Section 4). ● Developing these competences through Practical Training Requirements (see Section 5).
No.3: Initial professional development – professional skills	Prescribes the learning outcomes for professional skills that aspiring professional accountants are required to achieve by the end of IPD.	<ul style="list-style-type: none"> ● Covering intellectual, interpersonal and communication, personal and organizational skills through the skill stream, core subjects (see Section 4) and Practical Training Requirements (see Section 5).
No.4: Initial professional development – professional values, ethics, and attitudes	Prescribes the learning outcomes that aspiring professional accountants are required to achieve by the end of IPD for professional values, ethics, and attitudes.	<ul style="list-style-type: none"> ● Covering professional skepticism and professional judgment, ethical principles and commitment to the public interest through in its Professional Program (see Section 4) and Practical Training Requirements (see Section 5).

Table 1.1: Compliance with IES Coverage

IES No.	Objective	CMA's Compliance
No. 5: Initial professional development – practical experience	Prescribes the practical experience that aspiring professional accountants are required to complete by the end of IPD.	<ul style="list-style-type: none"> ● Using a combined approach (i.e., output- and input-based approach) to measure practical experience (see Section 5).
No. 6: Initial professional development – assessment of professional competence	Prescribes the requirements for the assessment of the professional competence that aspiring professional accountants are required to demonstrate by the end of IPD.	<ul style="list-style-type: none"> ● Assessing whether aspiring professional accountants have achieved an appropriate level of professional competence using stipulated formal assessment methods with verifiable evidence (see Section 4).
No. 8: Professional competence for engagement partners responsible for audits of financial statements	Prescribes the professional competence that professional accountants are required to develop and maintain when performing the role of an engagement partner responsible for audits of financial statements.	<ul style="list-style-type: none"> ● Developing and monitoring the professional competence of its members through its Professional Program, practical training components and CPD activities covering the requisite technical competence, professional skills and professional values, ethics, and attitudes.

SECTION TWO

CMA PROFESSIONAL PROGRAM

The Objective

In many disciplines, including accounting and finance, change has become inevitable. Given the rapid pace of change, finance professionals are expected to forecast the future when making decisions. Predicting future business outcomes in this manner is a challenging task that involves numerous variables. However, finance professionals can be prepared for it with the right insight and training. It is with this vision that the Institute of Certified Management Accountants introduces its “Professional Program 2023-2027” under the theme “equipping future accountants.” Three focus areas that corporate leaders define as core requirements of a future-ready accountant, namely *digitally-enabled*, *value-driven*, and *solution-savvy*, drive this equipping process.

Firstly, technology is viewed as the primary driver and enabler of change in the field of accounting and finance. This disruptor offers both opportunities and risks. Technology redefines the role of finance professionals and reshapes the finance function of the future. Hence, developing *digitally-enabled* management accountants is a key focus area of the CMA Professional Program 2023-2027. In order to equip future accountants to be digitally enabled, the curriculum incorporates the latest technological developments in general management, management accounting, and financial accounting. The newly introduced course unit titled Digital Business deals with the latest technological developments in the field of finance. In addition, many other course units in Management Accounting, Financial Accounting and Finance, and Business Management seek to develop the requisite digital competences of the candidates. The Technology skill pillar provides extensive technical knowledge, hands-on practical experience, and skills to equip accountants with the correct tools to operate in a digitally-enabled corporate world.

Secondly, the finance function including management accounting in any organization is in the rapid transformation towards creating enterprise and societal value. Finance is evolving from a function that previously worked in isolation, with a narrow focus on reporting and financial analysis, towards a broader discipline that fully integrates and collaborates with the rest of the organization and stakeholders to create and preserve value. Hence, developing *value-driven* management accountants is the next key focus area of the CMA Professional Program 2023-2027. The value-driven mindset of future management accountants is groomed in the candidates who follow the CMA Professional Program by incorporating sustainability management accounting, integrated thinking, corporate sustainability, governance and ethics, and improved emphasis on corporate value and value creation into the CMA curriculum.

Thirdly, accountants are moving from reporting to developing and deploying solutions for an organization. The finance function has a unique end-to-end view of an organization; and therefore, the Chief Financial Officer should have the business understanding to work as a ‘co-pilot’ alongside the Chief Executive Officer. Hence, future finance professionals are expected to possess wider competencies and a mindset rather than the ability to use specific tools and techniques. They are expected to be able to challenge the status quo, adapt, and make a difference with their technical competences and acumen when driving change. Hence, developing *solution-savvy* management accountants is another key focus area of the CMA Professional Program 2023-2027. In order to achieve this target, the candidates who follow the CMA Professional Program are equipped with the knowledge to have a holistic view of the company including competences in management and financial accounting, strategic management, risk management, project management, legal compliance, taxation, audit, and assurance while adhering to the ethical and corporate governance principles.

The Revision Processes

The revision process of the syllabus was multifold. First, the revision process solicited the expectations of a wide range of stakeholders including employers, governing council, students, examiners, education providers, comparable professional bodies, and other governing bodies of the profession. Second, it assessed the nature and quality of the candidates enrolled in the program meticulously with a view to appreciating the input. Similarly, an output analysis was conducted to identify the perceived competences of a qualified future management accountant. This process paid special attention to the requirements of domestic industries to produce a management accountant who is capable of meeting local needs while maintaining competitiveness in the global markets. Finally, the above inputs were filtered through the lenses of *digitally-enabled*, *value-driven*, and *solution-savvy* attributes of future-ready management accountants.

Entry Requirements

The direct entry requirement for the Professional Program is a minimum of three passes at the General Certificate of Education (G.C.E.) Advanced Level examination. CMA also specifies other routes and lateral entry points for enrolment. Furthermore, 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 program and (b) gain practical experience specified by the Institute (see Figure 2.1).

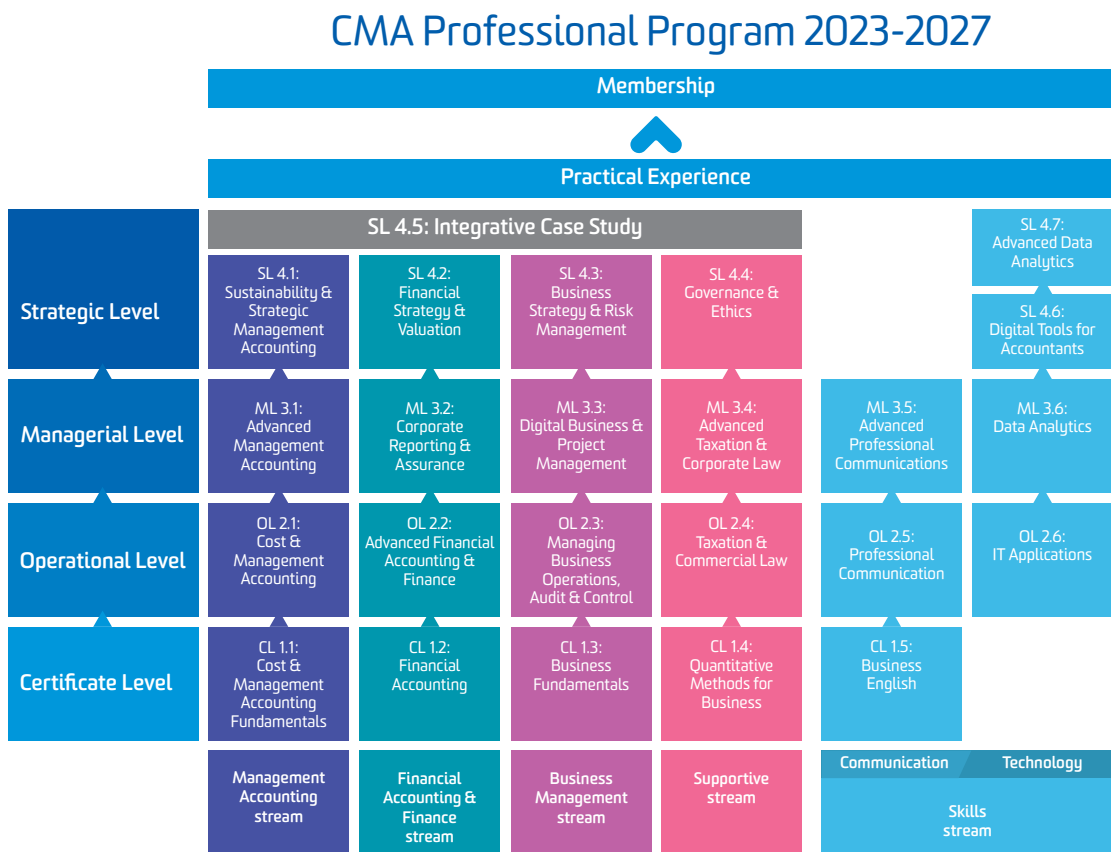
The **Study Program** consists of twenty three course units divided into four levels: Level 1 (Certificate), Level 2 (Operational), Level 3 (Managerial), and Level 4 (Strategic) (refer Section 4 for details).

The **Practical Experience Requirement** is of three years duration and has to be gained while completing or after completing the Study Program (refer Section 5 for details).

The core courses are clustered into four disciplinary streams: Management Accounting, Financial Accounting and Finance, Business Management, and Supportive stream. 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 stream provide a managerial and functional backdrop for working in organizations. The Integrative Case Study offered at the Strategic Level is the capstone of the Study Program. It enhances the competencies of candidates in a higher order and a holistic sense. The Supportive stream develops the knowledge required to make effective business decisions while discharging the organizational stewardship responsibilities.

The Skill stream is predominantly focused on communication and technology skills. Skill course units, while instilling and enhancing specific professional skills, facilitate mastery of other course units. The Practical Training Requirement of three years' duration ensures that candidates are competent in the application of knowledge, skills, professional values, ethics, and attitudes.

Figure 2.1: CMA Professional Program



Delivery

The CMA Study Program is available via registered educational institutes, e-learning, video lectures, and as a self-study course. Comprehensive study packs are made available to candidates at all levels in the English medium. The first two levels of the Program are available in English, 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 computer-based examinations for Certificate, Operational, and Managerial Levels every three months (in March, June, September, and December) partnering with Pearson VUE, USA. The Strategic Level examinations are conducted twice a year (in May and November) physically and overseas students are facilitated to take exams online.

Governance

CMA is committed to implementing effective improvements to the Professional Program. It has well-thought-out policies and procedures in place to monitor, evaluate, and improve the design, conduct, and assessment of the program continuously. Some of the committees and boards that are actively engaged in ensuring good governance are the Academic Advisory Board, Education and Training Committee, Examinations Committee, Corporate Governance, Ethics and Discipline Board, and Cost and Management Accounting Standard Board, and those set up for the implementation and monitoring of action plans on Statements of Member Obligations (SMOs) of the International Federation of Accountants (IFAC).

SECTION THREE

CMA STUDY PROGRAM 2023-2027

The CMA Study Program comprises Certificate, Operational, Managerial and Strategic 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, the acquisition of knowledge and skills culminates in the Integrative Case Study. The Study Program consists of 17 core course units and 7 skill course units. The Core Course units compose of Management Accounting, Financial Accounting and Finance, Business Management and Supportive streams while the skill pillar is divided into Communication and Technology. (See Table 3.1 for the distribution of course units among the different levels.)

Table 3.1: Composition of Course Units

Level	Core	Skill
Level 1 - Certificate	4	1
Level 2 - Operational	4	2
Level 3 - Managerial	4	2
Level 4 - Strategic	5	2

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.

On completion of each level, candidates are eligible to receive the following certificate assigned to that level (see Table 3.2). Further, they will serve as exit points for those who wish to leave the Study Program midway.

Table 3.2: Award of Certificates

Level	Certificate
Level 1 - Certificate	Certificate in Accounting & Business Studies
Level 2 - Operational	Diploma in Accounting & Business Studies
Level 3 - Managerial	Advanced Diploma in Accounting & Business Studies
Level 4 - Strategic	Strategic Professional Certificate

Level 1 – CERTIFICATE

Core

- CL 1.1: Cost & Management Accounting Fundamentals
- CL 1.2: Financial Accounting
- CL 1.3: Business Fundamentals
- CL 1.4: Quantitative Methods for Business

Skill

- CL 1.5: Business English

Level 2 – OPERATIONAL

Core

- OL 2.1: Cost & Management Accounting
- OL 2.2: Advanced Financial Accounting & Finance
- OL 2.3: Managing Business Operations, Audit & Control
- OL 2.4: Taxation & Commercial Law

Skill

- OL 2.5: Professional Communication
- OL 2.6: IT Applications

Level 3 – MANAGERIAL

Core

- ML 3.1: Advanced Management Accounting
- ML 3.2: Corporate Reporting & Assurance
- ML 3.3: Digital Business & Project Management
- ML 3.4: Advanced Taxation & Corporate Law

Skill

- ML 3.5: Advanced Professional Communications
- ML 3.6: Data Analytics

Level 4 – STRATEGIC

Core

- SL 4.1: Sustainability & Strategic Management Accounting
- SL 4.2: Financial Strategy & Valuation
- SL 4.3: Business Strategy & Risk Management
- SL 4.4: Governance & Ethics
- SL 4.5: Integrative Case Study

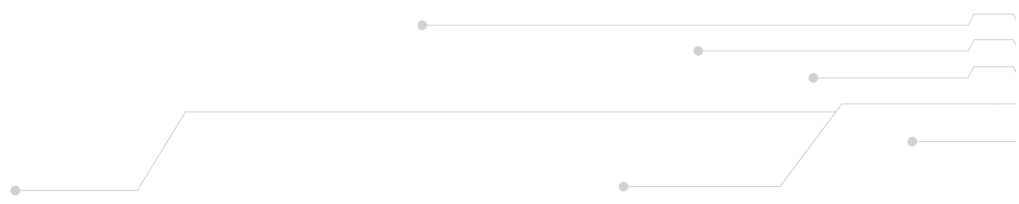
Skill

- SL 4.6: Digital Tools for Accountants
- SL 4.7: Advanced Data Analytics

SECTION FOUR

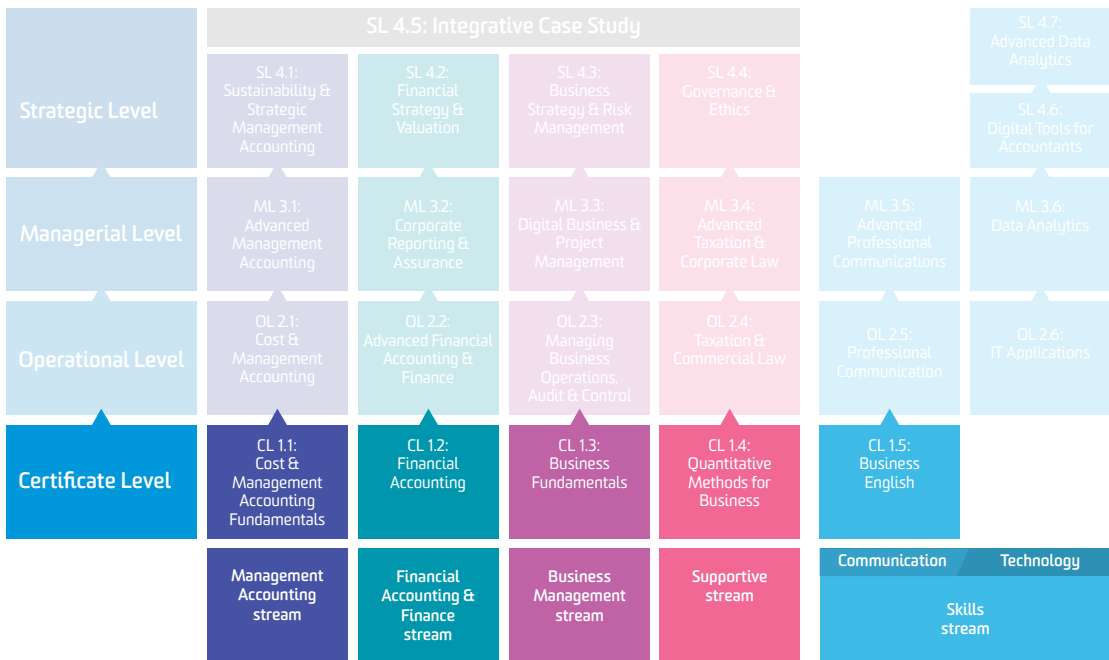
EXAMINATION SYLLABUS 2023-2027

The course syllabi are organized under Introduction, Learning Outcomes, Syllabus Structure, Assessment, Content, and Learning 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. Mandatory and Supplementary Readings are provided under Learning Aids at the end of each syllabus. The meaning of keywords used in the course syllabi is given in Appendix 1.



CMA Professional Program 2023-2027

CERTIFICATE LEVEL



Level 1 - CERTIFICATE

Core

- CL 1.1: Cost & Management Accounting Fundamentals
- CL 1.2: Financial Accounting
- CL 1.3: Business Fundamentals
- CL 1.4: Quantitative Methods for Business

Skill

- CL 1.5: Business English

CL 1.1: COST & MANAGEMENT ACCOUNTING FUNDAMENTALS (CMAF)

Introduction

Cost and Management Accounting, as the core discipline of management accountants, provide students with a sound understanding of costing, planning, decision making and control aspects of an organization. This Certificate Level course unit provides students with an overview of cost and management accounting in order to help them understand the role of management accounting and control systems within organizations and enhance their knowledge of the use of cost accounting information in various managerial functions. Further it also lays the foundation for techniques of costing and 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 cost and management accounting in organizations;
- Discuss various cost elements and their associated accounting treatments;
- Demonstrate an ability to measure and interpret alternative costing techniques and apply those techniques to solve practical problems; and
- Apply cost and 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 (%)
A	Overview of cost and management accounting	05
B	Analysis of costs	25
C	Costing systems	15
D	Costing methods	25
E	Planning and control	30
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Contents

A) Overview of cost and management accounting (05%)

Focus	Content
Present an overview of cost and management accounting.	The term cost and 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
Explain cost concept, terms and cost records.	Purposes for which cost information is required; introduction to cost terms and concepts (cost objects); cost records.
Describe different classifications of costs.	Direct and indirect costs; period and product costs; cost behaviour 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.	Material 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 stock management system).
Compute various stock levels and Economic Order Quantity (EOQ).	Control procedure for materials (Re-Order Level, Economic Order Quantity, maximum and minimum stock levels).

Focus	Content
Describe labor remuneration methods.	Labor remuneration methods (time based, piece rate, and incentive schemes).
Describe direct and indirect classification for selected labor related costs.	Direct and indirect 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- or 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 (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.
Prepare profit statements using absorption and marginal costing principles and reconciliation.	Profit statements under absorption and marginal costing methods; reconciliation of profit (same period but different methods and same method but different periods).
Discuss arguments for and against absorption and marginal costing and their applications.	Arguments in support of and against variable costing and absorption costing.
Compare and contrast interlocking and integrated systems.	Accounting for interlocking and integrated systems.
Reconcile the profit figures of interlocking and integrated systems.	Reconciliation of the profit figures of interlocking and integrated systems.

D) Costing methods (25%)

Focus	Content
Apply job, batch and contract costing principles.	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) <i>[Detailed application of financial accounting standards is not required.]</i>
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; partially completed output and 'equivalent units concept'; opening and ending work in progress of incomplete units (both weighted average and FIFO methods).

E) Planning and control (30%)

Focus	Content
Describe the nature, role and purpose of budgeting.	The multiple functions of budgets; conflicting roles of budgets.
Prepare functional and other budgets.	Stages in the budgeting process; preparation of functional budgets (sales budget, production budget, raw materials budget, labor budget, overheads budget); cash budget.
Prepare a master budget.	Master budgets (cash budget, budgeted profit and loss account and budgeted balance sheet).
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).

Focus	Content
Describe the nature and purpose of standard costing.	Operation of the standard costing system; advantages of standard costing; establishing cost standards; types of cost standards.
Apply variance analysis.	Variance analysis and causes (material price and usage variances, labour rate, idle time and efficiency variances, variable overhead expenditure and efficiency variances, fixed overhead expenditure and volume variances, sales price and volume variances).
Prepare profit reconciliation statements using marginal and absorption costing.	Reconciliation of budgeted profit and actual profit using operating statements under marginal and absorption costing systems.

Learning Aids

Mandatory reading:

Study Pack on Cost & Management Accounting Fundamentals 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Drury C & Tayles M 2021, **Management and Cost Accounting (11th ed.)**, Cenagage Learning, Hampshire.
 Horngren C, Sundem G, Burgstahler D & Schatzberg J 2022, **Introduction to Management Accounting (17th ed.)**, Pearson, London.

CL 1.2: FINANCIAL ACCOUNTING (FA)

Introduction

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

Learning Outcomes

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

- Describe the principles, concepts, and conceptual frameworks of financial accounting;
- Illustrate the impact of business transactions on assets liabilities and equity, using the accounting equation;
- Prepare the prime entry books to record business transactions and post the totals of prime entry books to the general ledger;
- Prepare financial statements of sole proprietorships, partnerships, and not-for-profit organizations; and
- Prepare financial statements of companies for the purpose of publication.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of financial accounting	05
B	Accounting equation and double entry system	10
C	Accounting process	10
D	Adjustments to accounting records	15
E	Conceptual framework for financial accounting	10
F	Financial statements of single entities, partnerships and not-for-profit organizations	20
G	Preparation of financial statements for companies	30
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Contents

A) Overview of financial 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 as an information system; accounting environment.
Distinguish between financial accounting and management accounting.	Branches of accounting (financial accounting and management accounting).

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

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

C) Accounting process (10%)

Focus	Content
Describe the accounting process.	Accounting input, process, and output (source documents, prime entry books, general ledger, trial balance and financial statements).
Record the transactions in the prime entry books.	Cash receipts and payments (cash receipts journal, cash payments journal and petty cash journal); credit sales and credit purchases (sales journal and purchases day journal); sales return and purchases returns (sales return day journal and purchase return day journal); recording transactions in the general journal.
Prepare the general 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%)

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 the correction of errors on profit.
Prepare a bank reconciliation statement.	Purposes of the bank reconciliation statement; reasons for the difference between the bank statement and the cash book (unrecorded items, timing differences and errors); adjusting the cash book balance.
Reconciliation of the subsidiary ledgers with control accounts.	Purpose and nature of subsidiary ledgers (creditors' ledger and debtors' ledger); control accounts for debtors and creditors in the general ledger; recording transactions (creditors' control account and creditors' ledger and debtors control account and debtors' ledger); reconciliation of subsidiary ledger with control account.

E) Conceptual framework for financial accounting (10%)

Focus	Content
Describe the elements of the conceptual framework for financial reporting.	Purpose of a conceptual framework; conceptual framework for financial reporting (objectives, underlying assumptions, qualitative characteristics- fundamental and enhancing, the definition of elements, recognition, and measurement of elements).
Discuss its relevance to financial accounting.	Advantages and limitation of the conceptual framework.

F) Financial statements of single entities, partnerships and not-for-profit organizations (20%)

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.
Prepare financial statements.	Preparation of financial statements using the trial balance.
Illustrate the adjusting entries required in the preparation of financial statements.	Adjusting entries for closing stock; depreciation; bad debts; accrued expenses and income; prepaid expenses and income; stock losses.
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 and loss and statement of financial position.
Explain the nature of a partnerships.	A partnership; partnership agreement; profit sharing between partners.
Explain the special accounts relating to partnership.	Partners' capital account; partner's current account.
Prepare financial statements for partnerships.	Income statement and statement of financial position.
Record transactions in special accounts pertaining to not-for-profit organizations.	Receipts and payments account; subscription account (annual membership and life membership); accumulated fund account.
Prepare financial statements of non-for-profit organizations with adjustments.	Income and expenditure account/income statement and statement of financial position.

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

Focus	Content
Explain the characteristics of limited liability companies.	Difference between limited liability companies and sole proprietorship (limited liability, equity structure, legal status, compliance requirement).
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.	Presentation of the financial statements (LKAS 1 ¹ . LKAS 7 ²).
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 (LKAS 1) and cash flow statement (direct method and indirect method) (LKAS 7); 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 8 ³).
Apply the accounting treatment for events after the reporting period.	Events after the reporting period (LKAS 10 ⁴).

Learning Aids

Mandatory reading:

Study Pack on Financial Accounting 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Miller-Nobles T & Mattison B 2020, **Horngren's Accounting (13th ed.)**, Pearson's Education Limited, Essex.

Institute of Chartered Accountants of Sri Lanka 2018, **The Conceptual Framework for Financial Reporting**, Colombo.

¹Sri Lanka Accounting Standard-LKAS 1 Presentation of Financial Statements

²Sri Lanka Accounting Standard-LKAS 7 Statement of Cash Flows

³Sri Lanka Accounting Standard-LKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

⁴Sri Lanka Accounting Standard-LKAS 10 Events after the Reporting Period

CL 1.3: BUSINESS FUNDAMENTALS (BF)

This course unit includes two main sections, Fundamentals of Management (60%) and Economics (40%).

Assessment

The test paper, of 2-hour duration, will consist of 50 multiple choice questions. The questions will be set in the proportion Fundamentals of Management (60%) and Economics (40%).

Fundamentals of Management (60%)

Introduction

All managers who are actively involved in managing diverse organizations in a challenging environment are required to be capable of understanding the basic concepts of management, fundamentals of management, process of management and the basics of corporate governance. This knowledge will assist managers to set context-specific goals and objectives and achieve those effectively through the efficient use of limited resources. This foundation course is designed to provide knowledge and skills required for prospective management accountants to make effective managerial decisions through optimum use of limited resources under the pressure of a dynamic and complex business environment.

Learning Outcomes

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

- Define the basic concepts and identify the basic theoretical foundation of management;
- Explain the role of managers, managerial process and the basic functions of management;
- Describe the concept of corporate governance and identify how it applies to management in organizations;
- Analyze practical issues encountered by managers and propose solutions; and
- Demonstrate the ability to apply management knowledge and skills acquired.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of management and management concepts	10
B	Evolution of management	10
C	Process of management	30
D	Fundamentals of corporate governance	10
	Total	60

The contents are required to be covered in about 54 student contact hours. The time taken to cover the 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.

Contents

A) Overview of management and management concepts (10%)

Focus	Content
Define terms associated with management.	Organizations and people; management and process of management; goals and objectives; limited resources; efficiency; effectiveness; productivity; types of managers; managerial levels; managerial skills; managerial roles; being an effective manager; basic business functions.
Describe management in the environmental context.	Nature of business environment: complexity and dynamicity; internal analysis: resources, structure, culture, leadership; external analysis (macro): political and legal, economic, social, cultural, technological, ecological factors; competitive environment (micro): customers, suppliers, new entrants, existing similar competitors, substitute products; SWOT (strengths, weaknesses, opportunities, threats); business environment and managerial decisions; challenges faced by managers in the contemporary business environment.

B) Evolution of management (10%)

Focus	Content
Explain the evolution of management thought.	Socio-economic paradigms in brief (self-sufficient era, agri-based economy, barter system, industrialization, and modern organizations); future organizations (e-businesses, virtual organizations, artificial intelligence).
Demonstrate the different emphases under different schools of management approaches and theories.	Classical management approach: scientific management (F.W. Taylor); administrative theory (Henry Fayol); bureaucratic management (Max Weber); behavioral management theories (Elton Mayo, Douglas McGregor, Abraham Maslow); other management theories: management science, systems theory, contingency theory; contemporary management theories and ideas (theory of excellence, management by objectives (MBO), Management by walking/wandering around (MBWA), managing in crisis/chaos). <i>[a brief overview of the evolution is adequate and hence, detailed contributions by management theorists are not required].</i>

C) Process of management (30%)

Focus	Content
Describe the management process.	Management process: planning, organizing, leading, controlling.
Illustrate the process of planning.	Planning process; planning horizons; different types of plans; ensuring the effective planning process; benefits of planning; barriers for effective planning; hierarchy of aims: vision, mission, goals, objectives, strategies, programs, actions, budgets, standard operating procedures.
Distinguish among different types of planning.	Corporate plans; strategic plans; action plans; contingency plans; alternative planning models in the dynamic business environment.
Define the process of organizing.	Definitions for organizing function; elements of organizing; power; authority; delegation; responsibility; accountability.
State the importance and elements of the organizational structure.	Organizational structure; organizational chart: importance, basic elements of an organizational structure; drawing a chart of a selected organization using PowerPoint template (while identifying structural elements accordingly.); different designs of organizations (functional, divisional, hybrid, matrix).
Apply organizational designs to be adopted in different contexts.	Context and organizational design; organizational design in a complex environment.
Prepare a brief human resource plan for an organization.	Staffing the organization; functions of human resource planning (<i>a brief overview only as this is covered in OL2.3</i>).
Describe the terms related to leadership.	Definitions for leading and leader: power and bases; sources of power; trait and behavioral approaches to 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 (<i>Vroom and Yetten</i>) (<i>a brief overview only</i>); charismatic, transformational and transactional leadership.

Focus	Content
Distinguish between emphases underlying the theories of motivation.	Concept of motivation and motivational process; content, process and reinforcement theories of motivation (<i>a brief overview of the emphasis of the respective theories</i>).
Discuss different types of communication processes and systems.	Communication process: sender, message, encoding, channel, decoding, receiver, feedback, response; types of communication techniques and effectiveness of those techniques; communication with modern technology; types of communication in an organization: downward, upward, horizontal, two-way communication, open communication.
Describe the role of the controlling function and control systems and strategies.	Importance of control; nature of control-functions and levels; activities in the control process; financial and non-financial controlling; types of control systems – managerial discretion, timing and information; controlling strategies: market, bureaucratic and clan; modern controlling techniques (digitalization, automation, CCTV).

D) Fundamentals of corporate governance (10%)

Focus	Content
Identify different stakeholders and their multiple expectations.	Internal and external stakeholders; direct and indirect stakeholders; conflicting stakeholder expectations.
Discuss the power and the importance of stakeholders.	Different power sources and power interventions to make organizational decisions; mapping stakeholders based on power and importance.
Select the best strategies to balance stakeholders' expectations.	Different strategies to balance stakeholders' power; multiple beneficiaries.
Define corporate governance.	Definitions for corporate governance and governance chain; role of owners/investors, managers, employees, and other stakeholders; principle-agent relationship.
Identify different types of governance structures.	Shareholder model and stakeholder model; mechanistic and organic governance structures; formal and informal governance structures.

Focus	Content
Analyze a governance structure of organizations and identify the methods of balancing stakeholders through governance structure.	Graphically presenting governance chain /decision making structure of an existing organization; stakeholders' obligations, duties, accountability, benefits.
Analyze the characteristics of a good governance system compared with a poor governance system.	Benefits of good governance; impact of bad governance.

Learning Aids

Mandatory reading:

Study Pack on Business Fundamentals 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Robbins S P, Coulter M & Randel A 2021, **Management (15th ed.)**, Pearson Education Inc, Harlow.

Certo, S C & Certo, S T 2021, **Modern Management: Concepts and Skills (15th ed)**, Pearson Education, New York.

Stoner J A F, Freeman R E & Gilbert D R 2004, **Management (6th ed.)**, Pearson Education, New York.

Fundamentals of Economics (40%)

Introduction

This foundation level course unit aims at providing an overview of the basic economic principles and applications which are useful in understanding the general economic environment within which businesses and other organizations operate. This course provides an introduction to economic analysis which facilitates knowledge on how managers should utilize scarce resources in an effective and efficient manner to achieve organizational goals and objectives. The course covers fundamental concepts and principles of both microeconomics as well as macroeconomics. Microeconomics deals with how consumers and firms make decisions and the way they interact with each other in markets, whilst macroeconomics examines the entire economy or the economy as an aggregate and the effects of economic policies on the broader economic environment in which business decisions must be made.

Learning Outcomes

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

- Explain 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 implications of externalities;
- Interpret economic relationships and conditions using graphs and equations; and
- Apply economic theories to understand and analyze relevant economic issues in the organization.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of economic concepts	05
B	Demand, supply and the market economy	10
C	Theory of production, costs, profit maximization and market structures	10
D	The national economy, macroeconomic issues and government policies	15
	Total	40

The contents are required to be covered in about 36 student contact hours. The time taken to cover the 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.

Contents

A) Overview of economic concepts (05%)

Focus	Content
Define economics; microeconomics and macroeconomics.	Definitions of economics; microeconomics and macroeconomics; distinction between the two subject areas.
Identify basic economic concepts and principles.	Scarcity; opportunity cost; production possibility frontiers; normative and positive statements.
Distinguish between public goods and private goods.	Nature and characteristics of public goods and private goods.

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

Focus	Content
Define demand.	Demand and factors affecting demand.
Identify the relationship between quantity demanded and price.	Law of demand (the law of demand using demand schedule, demand equation, and demand curve).
Illustrate the individual and market demand.	Market demand and individual demand.
Interpret movements along the demand curve and shifts in demand using diagrams.	Effects of changes in price and other factors affecting the demand curve.
Define supply.	Supply and factors affecting supply.
Identify the relationship between price and quantity supplied and other determinants of supply.	Relationship between price and quantity supplied through the supply schedule; supply equation; and supply curve.
Illustrate the individual and market supply.	Market supply and individual supply.
Interpret movements along the supply curve and shifts in supply using diagrams.	Changes in price and other factors affecting the supply curve.
Define market equilibrium.	Market equilibrium through demand and supply forces.
Identify equilibrium price and output and explain the factors which lead to a new equilibrium.	Graphical presentation of equilibrium price and quantity and factors that affect change in equilibrium.

Focus	Content
Explain the consequences of government intervention in the free market.	Government intervention in the free market and its economic consequences.
Identify externalities and market failures.	Externalities and market failures using demand and supply framework.
Define the concept of elasticity of demand, compute, and interpret coefficients of elasticities and explain their applications.	The price elasticity of demand; income elasticity of demand; cross-price elasticity of demand; and their applications.

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

Focus	Content
State the differences between short-run and long-run in production.	Short-run and long-run differences in production will be identified through the concepts of variable and fixed inputs, mainly labor and capital.
Explain and determine the total, average, and marginal product state.	A clear distinction between total product, average product and marginal product along with their calculations and graphical presentations.
The law of diminishing marginal returns.	The meaning of diminishing marginal returns.
Describe the stages of production in the short run.	Graphical presentation of the three stages of production and determination of the optimal stage of production in the short run.
Explain isoquants and iso-costs.	Isoquants and iso-costs and their graphical presentation.
State the differences between the short run and long run under the theory of costs.	The nature and the behavior of costs in the short run and long run.
Determine the cost of production.	Graphical illustration of the total, average and marginal costs and their calculations.
Demonstrate economies and diseconomies of scale using long-run cost curves.	Graphical illustration of long-run cost curves and economies and diseconomies of scale in production and cost.

Focus	Content
Analyze profit maximization using total and marginal approaches.	Profit maximization level of output using both total and marginal approaches.
Describe different market structures.	Characteristics of perfect competition, monopoly, monopolistic competition, and oligopoly; oligopsony.
Determine the profit maximization output and price under each market structure.	Profit maximizing output level of each market structure using graphs and computations; scarce resource mis/ allocation of monopolistic firms; pricing approach of firms in monopolistic vs perfect competitive markets.

D) The national economy, macroeconomic issues and government policies (15%)

Focus	Content
Identify the basic macroeconomic variables.	Introduction to basic macroeconomic variables (inflation, unemployment, economic growth, exchange rates).
Describe the circular flow diagram.	The circular flow diagram in terms of the two sectors, three sector and four-sector economies.
Discuss the methods of computation of national income and identify the limitations of measuring national income.	Three main approaches of computing national income and ascertaining the limitations of the computation of national income.
Identify macroeconomic issues.	Macroeconomic issues such as high rate of inflation, high unemployment rate, stagnated or declining economic growth, unfavourable exchange rates.
Explain interrelationships and interdependencies among macroeconomic variables.	Inter-relationship among macroeconomic variables (inflation and unemployment relationship using Philips curve and the relationships among inflation, unemployment and economic growth).

Focus	Content
State macroeconomic objectives of the government.	Macroeconomic objectives such as price stability, economic stability, stability in the foreign exchange market.
Describe the macroeconomic policies.	Fiscal and monetary policies and their ability to achieve government's macroeconomic objectives.
Explain the role of the government in implementing economic policies focusing on fiscal policy, the public debt, monetary policy and financial system.	The role of the government policies in achieving macroeconomic objectives, managing government debt and managing economic crisis in Sri Lanka.
Explain the open economy and the exchange rate policy.	The dynamics of an open economy and the government's policies used in the determination of the exchange rate.

Learning Aids

Mandatory reading:

Study Pack on Business Fundamentals 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Sloman J & Wride A 2021, **Economics (10th ed.)**, Prentice Hall, London.

Salvatore D 2012, **Principles of Microeconomics (5th ed.)**, International Version, Oxford.

Mankiw N G 2022, **Macroeconomics (11th ed.)**, Macmillan, New York.

CL 1.4: QUANTITATIVE METHODS FOR BUSINESS (QMB)

Introduction

Quantitative analysis plays an important role in the day-to-day activities of a management accountant. The tools required for quantitative analysis come from a wide range of quantitative methods segregated under the sub-disciplines business mathematics, statistics, and financial mathematics. Quantitative methods (QM) enable the management accountant to describe the numbers and trends pertaining to disciplines spanning from management accounting, financial accounting, and finance to taxation, marketing, and strategy.

It is imperative that the management accountant possesses a thorough understanding of the basic concepts, methods, and techniques of quantitative methods and related competencies. The aim of this course unit is to provide students with knowledge and skills in the area of QM that are of relevance in their work lives. In addition to computations, the course unit stresses on the interpretation of results that are obtainable through the use of software application packages.

Learning Outcomes

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

- Define concepts and principles related to QM;
- Describe when and how QM could be used in practice;
- Apply selected techniques in work situations and compute values; and
- Interpret computed values.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Mathematics for business	20
B	Frequency distributions and presentation of data	25
C	Probability, sampling theory and the distributions	20
D	Relationships and forecasting techniques	25
E	Introduction to financial mathematics	10
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Contents

A) Mathematics for business (20%)

Focus	Content
Define concepts and solve exercises.	Basics of Algebra; laws of indices; factorizing; algebraic equations (simple, simultaneous, and quadratic); algebraic functions (quadratic, exponential, and logarithmic); graphing simple equations; inequalities; rates of increase/ decrease in percentage terms.
Define concepts and solve exercises.	Arithmetic and geometric progression (simple and compound interest calculations); differentiation (differential coefficient for the sum, product, quotient, function of a function, second differential coefficient); Integration (basic integration involving the sum); graphing of algebraic functions involving maxima and minima.

B) Frequency distributions and presentation of data (25%)

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).
Illustrate a set of data in different forms of graphical methods.	Discrete and continuous frequency distributions (histograms, frequency polygons, frequency distribution curves, ogives).
Compute measures of central tendency and dispersion.	Measures of central tendency (mean, quartiles with median, mode, and geometric mean); dispersion (standard deviation, variance, inter-quartile range, and coefficient of variation and skewness (Pearson's coefficient)).
Illustrate presentation techniques using a set of data.	Data presentation techniques: tables, figures (graphs, charts, pictograms), and exhibits (diagrams).

C) Probability, sampling theory and distributions (20%)

Focus	Content
Solve probability-related exercises.	Approaches to probability (classical, relative frequency subjective); laws of addition and multiplication; mutually exclusive and independent events; tree diagrams; conditional, marginal and joint probabilities; Bayes' theorem and expected values.
Discuss different methods of sampling.	Population; sampling frame and the sample; methods of sampling (random, stratified, cluster, multi-stage and quota); sampling and non-sampling errors.
Solve simple problems involving the normal curve and the student t curve.	Normal distribution; properties of the normal curve; the standard normal curve and the student t curve; use of statistical tables; p value; business applications.

D) Relationships and forecasting techniques (25%)

Focus	Content
Compute and explain the degree of correlation and significance of a relationship.	Correlation between two variables (scatter graphs, Pearson's coefficient and Spearman's coefficient); causation and spurious correlation; statistical significance.
Compute estimates using the regression equation and its significance.	Simple linear regression model (regression coefficients, coefficient of determination, standard error); interpolations vs. extrapolations; statistical significance.
Explain the concepts of multi-correlation and regression.	Introduction to multi-correlation and regression.
Solve a time series using moving averages to ascertain trend and seasonal variations.	Time series analysis (trend, seasonal, cyclical, and random variations); techniques for analysis (simple average, moving average and exponential smoothing); estimating.

E) Introduction to financial mathematics (10%)

Focus	Content
Solve the time value of money related exercises.	Concept of the time value of money (interest as an opportunity cost, future values and present values, annuities and perpetuities); amortization; nominal and effective rates; impact of inflation.

Note: With respect to B, C and D the ability to use software application packages (e.g., Spreadsheets) for computing purposes is emphasized. Further, computer printouts are to be used as exercises for interpretation of results.

Learning Aids

Mandatory reading:

Study Pack for Quantitative Methods for Business 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Anderson D R, Sweeney D J & Williams T A 2015, **Quantitative Methods for Business (13th ed.)**, South Western College Publishing, Singapore.

Keller G 2012, **Statistics for Management and Economics**, Cengage Learning, Stamford.

Mendenhall W, Beaver R J & Robert B M 2019, **Introduction to Probability and Statistics (15th ed.)**, Cengage Learning, Boston.

CL 1.5: BUSINESS ENGLISH (BE)

Introduction

English is recognized as the most popular language internationally, which makes it the most dominant language in the world of education and work. Thus, effective communication skills in English are mandatory to achieve academic as well as professional success. This Certificate Level course in Business English is intended for participants who have completed secondary education and it provides them with essential English language skills required for gaining proficiency in the four language skills of listening, reading, writing, and speaking as well as in the areas of grammar and vocabulary. The aim of this course is to strengthen the English language competency of participants and enable them to attain a reasonable level of proficiency in the language.

Learning Outcomes

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

- Engage in clearly organized formal and informal spoken communication related to life experience;
- Construct a range of descriptive and narrative texts in practical and relevant social, educational, and work-related situations;
- Write straightforward texts on familiar concrete topics in practical and relevant contexts of daily social, educational, and work-related life experience;
- Communicate with some confidence in routine social, educational, and work-related situations; and
- Use simple grammatical structures, and contextually appropriate lexical resources and register.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Listening	20
B	Reading	30
C	Writing	25
D	Speaking	25
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

The test paper, of 2-hour duration, will consist of an oral presentation and essay questions.

Contents

A) Listening (20%)

Focus	Content
Engage in everyday social exchanges (such as making and cancelling appointments and making apologies and excuses).	Identify the specific factual details and implied meanings; distinguish formal and casual style and register; identify language functions; ascertain speech situation and relationship between speakers; detect moods, attitudes, and emotional states from tone and intonation.
Demonstrate clearly organized directions and instructions for technical or non-technical tasks.	Follow sequence markers or other cohesive devices to understand the order of steps; respond with actions to directions and instructions.
Apply communication intended to influence or persuade (such as suggestions, advice, and requests) in everyday situations.	Identify and distinguish between main idea and supporting details; infer meaning of unfamiliar words and phrases; identify the functions of utterances (such as suggestions, advice, and requests); interpret facts and opinions; identify cohesive devices and discourse markers for comparison, contrast, condition, and result.
Apply short group interactions, descriptive or narrative monologues or presentations on familiar and relevant topics.	Identify topic-specific words, phrases, and expressions; identify factual details, main ideas, supporting details, and implied meanings; identify discourse markers for cause and effect; make inferences using context clues; identify indicators for collaboration, turn-taking, and interruptions; interpret factual information, explanations, and opinions.
Acquire necessary listening skills in order to comprehend discourse such as lectures, discussions, and interviews.	Acquire strategies to listen actively; acquire strategies to take clear notes; distinguish cues that indicate examples, cause-effect relationships, and comparison-contrast.

B) Reading (30%)

Focus	Content
Demonstrate an understanding of social messages (such as those conveying announcements, making and cancellation of arrangements, and apologies) related to a familiar context.	Identify specific factual details and implied meanings; recognize context and purpose of the message; establish reader-writer relationship; detect mood and attitude of the writer.
Apply instructions for multi-step procedures related to everyday situations.	Interpret sequence markers and implied meanings to infer the correct sequence; follow instructions to complete a task.
Obtain information from business communication containing advice, requests, or detailed specifications.	Identify factual details, main ideas, and implied meanings; detect the writer's purpose, intent, mood, and attitude.
Apply descriptive or narrative texts on familiar topics.	Use skimming and scanning strategies to extract information; identify main idea and supporting details; infer meaning of unfamiliar words and phrases; distinguish facts from opinions; identify organization of text and links between paragraphs; understand and summarize the main ideas; synthesize two or three basic sources of information.
Interpret information contained in different visual formats (such as diagrams, tables, or graphs).	Identify purpose, main ideas, and key details in prose or different visual formats; compare and contrast facts in prose or different visual formats.

C) Writing (25%)

Focus	Content
Convey personal messages in short, formal, and informal correspondence for everyday social purposes (such as expressing congratulations, gratitude, apologies, or offering assistance).	Use language and content appropriate to the situation; convey the intended meaning; express main ideas and support them with details.
Reduce short, factual written or oral discourse (such as live or pre-recorded telephone messages, speeches, and short presentations) to notes or messages.	Take notes and reduce written or oral information to important points; use common note taking conventions (such as point form); record details (such as names, addresses, dates, times, and directions) legibly and with correct spelling, capitalization, and punctuation.
Reduce a page of information to an outline or a summary.	Summarize the main ideas in a range of descriptive and narrative texts.

Focus	Content
Write short, straightforward semi-formal or formal texts, including responses consisting of a few paragraphs.	Convey awareness of the audience; convey the intended message; use simple grammatical structures, contextually appropriate lexical resources, and register; use simple cohesive devices.
Write one or two connected paragraphs to relate a familiar sequence of events, a detailed description, information presented in the visual form, routines, or simple procedures.	Address the purpose of a task; express main ideas and support them with details; provide a suitable introduction, body paragraphs, and conclusion; provide accurate descriptions, comparisons, or accounts of events in a clear sequence; use appropriate connectives.

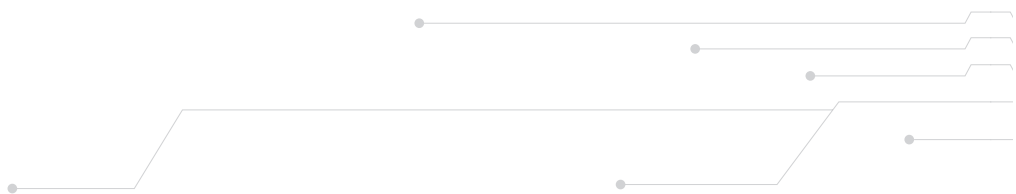
D) Speaking (25%)

Focus	Content
Participate in dialogues and multi-speaker conversations and present one's opinion on topics of general interest.	Open, maintain, and close a conversation; use and respond to small talk; encourage conversation by adding supportive comments; use appropriate turn-taking mechanisms; summarize information to confirm understanding.
Participate in short telephone conversations.	Answer the telephone, greet the caller, and close a conversation using appropriate conventions and expressions; provide information required or leave a message; clarify and confirm information.
Give sequential instructions and directions for everyday activities and processes.	Use the correct sequence of steps; check to confirm understanding.
Deliver prepared speeches and presentations.	Present information using connected discourse; use an appropriate introduction, development, and conclusion; use connectives appropriately; use simple grammatical structures, contextually appropriate lexical resources, and register; demonstrate awareness of components of a presentation, effective visual aids, appropriate body language, eye contact, volume, and rate.

Learning Aids

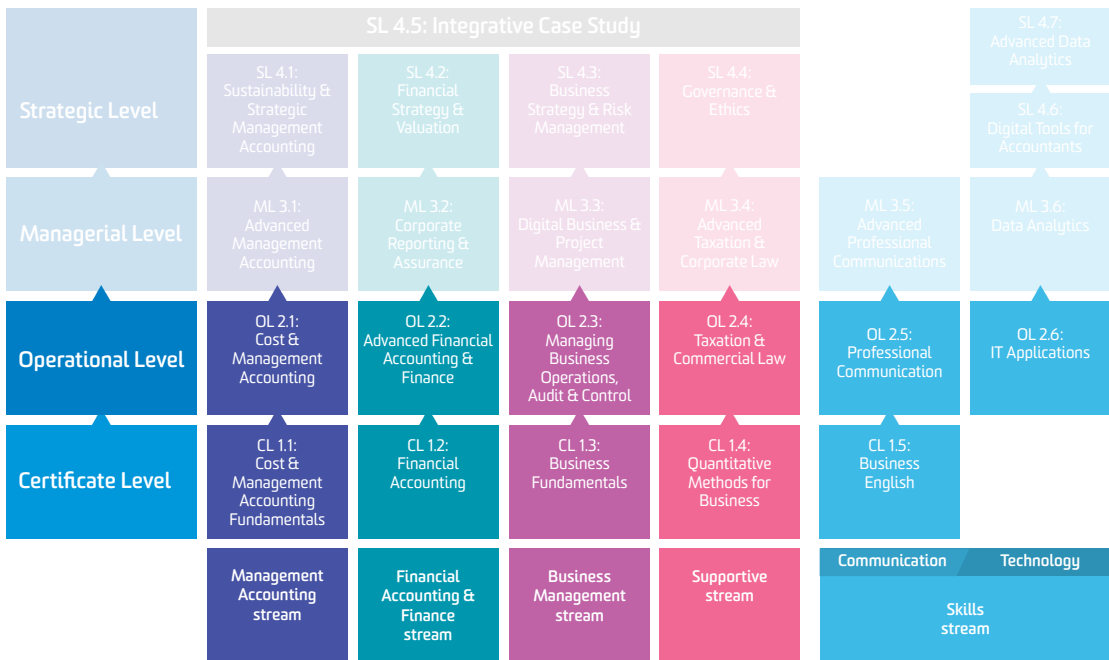
Mandatory reading:

Study Pack on Business English 2023, Certified Management Accountants of Sri Lanka, Colombo.



CMA Professional Program 2023-2027

OPERATIONAL LEVEL



Level 2 – OPERATIONAL

Core

- OL 2.1: Cost & Management Accounting
- OL 2.2: Advanced Financial Accounting & Finance
- OL 2.3: Managing Business Operations, Audit & Control
- OL 2.4: Taxation & Commercial Law

Skill

- OL 2.5: Professional Communication
- OL 2.6: IT Applications

OL 2.1: COST & MANAGEMENT ACCOUNTING (CMA)

Introduction

The objective of this course unit is to develop students' knowledge of and skills in cost and management accounting beyond the introductory course unit to advanced course units. Hence, this course is an intermediate course unit between CL 1.1: Cost and Management Accounting Fundamentals at the Certificate Level and ML 3.1: Advanced Management Accounting at the Managerial Level. The course furthers the students' knowledge and skill base pertaining to cost and management accounting concepts and techniques in costing, planning, decision making, and control functions while exposing them to developments taking place in the current dynamic global business environment.

Learning Outcomes

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

- a. Discuss major developments in the management accounting profession;
- b. Discuss further aspects of costing methods and systems;
- c. Apply cost and management accounting tools and techniques in costing, planning, decision-making, and control processes; and
- d. 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 (%)
A	Overview of management accounting profession	05
B	Further aspects of costing methods and systems	25
C	Cost and management accounting information for decision making	35
D	Managerial planning and control	20
E	Capital budgeting decisions	15
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

- Part I (40 marks) : Consists of twenty multiple-choice questions.
Part II (30 marks) : Consists of case-based objective test questions.
Part III (30 marks) : Consists of structured questions.

Contents

A) Overview of management accounting profession (5%)

Focus	Content
Discuss the major developments in management accounting and management accounting profession.	Evolution of management accounting (including IFAC (1998) framework of the conception of management accounting evolution); contemporary status of the global management accounting profession.
Explain the ethics related to a management accountant.	Ethical considerations of a management accountant.
Describe the Institute of Certified Management Accountants (CMA) Sri Lanka's role in the management accounting profession in Sri Lanka.	Role of CMA Sri Lanka in the management accounting profession in Sri Lanka; Cost and Management Accounting Standards Board (CMASB) including Managerial and Societal Costing Framework.

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

Focus	Content
Review classification of costs.	Classification of costs.
Estimate the cost using linear and non-linear cost functions.	Cost estimation of linear and non-linear cost functions.
Discuss limitations and other factors to consider in cost estimation.	Limitations of cost estimation; other factors to consider in cost estimation (e.g., inflation, seasonal factors, forex movements).
Describe the learning curve theory.	Overview of the learning curve.
Apply different methods to develop the learning curve.	Developing the learning curve (graphical method, algebraic method, formula method).
Explain the relevance of the learning curve effect on management accounting.	Applications of the learning curve theory (pricing, costing, budgeting, cost control).
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.

Focus	Content
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.
Compare and contrast ABC with traditional costing.	Cost of cost object using ABC; ABC vs. traditional costing systems.

C) Cost and management accounting information for decision making (35%)

Focus	Content
Describe Cost-Volume-Profit (CVP) analysis, its applications, assumptions and limitations.	A mathematical approach to CVP analysis [break-even point (BEP), break-even revenue, margin of safety, target profit]; break-even charts (break-even chart, PV chart, contribution chart); simple applications of CVP analysis; accountant's vs economist's model of CVP analysis; CVP analysis limitations/assumptions.
Apply CVP analysis with further adjustments.	Advanced aspects of CVP analysis (with taxation, operating leverage, sensitivity analysis).
Apply multi-product CVP analysis.	Multi-product CVP analysis; multi-product BEP chart and PV chart (<i>It is important to emphasize the use of spreadsheets in CVP analysis</i>).
Produce the optimum production schedule having applied single limiting factor analysis.	Types of limiting factors; assumptions in limiting factor analysis; product ranking based on contribution per unit of limiting factor; resource allocation decision.
Discuss special decision-making situations applicable to 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).
Explain the importance of qualitative factors in decision making.	Relevance of qualitative information in decision making.

D) Managerial planning and control (20%)

Focus	Content
Discuss the use of IT in budgeting.	Use of spreadsheets in budgeting (calculative aspects are not required); impact of Enterprise Resource Planning (ERP) on budgeting.
Describe alternative methods of budgeting.	Different approaches to budgeting (activity-based budgeting, zero-based budgeting, incremental budgeting, program budgeting and kaizen budgeting).
Compare and contrast traditional forms of budgeting with beyond budgeting and better budgeting approaches.	Criticisms of budgeting; applicability of traditional budgeting; 'better budgeting' and 'beyond budgeting'.
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, empire building).
Interpret further aspects of variances with supportive calculations.	Advanced variance analysis (mix and yield/quantity, market share, mix); reconciling actual profit and budgeted profit in marginal and absorption costing methods; planning and operational variances; variance investigation; advantages of variance analysis.
Evaluate the use of standard costing and variance analysis in modern times.	Criticisms of standard costing; recent developments in standard costing.

E. Capital budgeting decisions (15%)

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 (e.g., sensitivity analysis and scenario analysis).

Learning Aids

Mandatory reading:

Study Pack on Cost & Management Accounting 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Drury C & Tayles M 2021, **Management and Cost Accounting (11th ed.)**, Cengage Learning, Hampshire.

Horngren C, Sundem G, Burgstahler D & Schatzberg J 2022, **Introduction to Management Accounting (17th ed.)**, Pearson, London.

OL 2.2: ADVANCED FINANCIAL ACCOUNTING & FINANCE (AFAF)

This course unit includes two main sections, Advanced Financial Accounting (60%) and Finance (40%).

Assessment

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

- Part I (40 marks) : Consists of twenty multiple-choice questions.
- Part II (30 marks) : Consists of case-based objective test questions.
- Part III (30 marks) : Consists of structured questions.

Advanced Financial Accounting (60%)

Introduction

This is the second course unit in the financial accounting and finance stream and the continuation of the course CL2: Financial Accounting course. The objective of this course is to develop in students an understanding of advanced theoretical concepts and techniques of financial accounting. The course unit predominantly focuses on applying relevant accounting standards (LKASs and SLFRSS) in preparing and presenting financial statements for publication. Furthermore, this unit intends to provide a fundamental understanding in relation to the preparation of consolidated financial statements.

Learning Outcomes

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

- a. Apply the relevant accounting standards in accounting for assets and liabilities in the preparation and presentation of financial statements;
- b. Apply the relevant accounting standards in accounting for revenue and taxes in the preparation and presentation of financial statements;
- c. Apply the relevant accounting standards in accounting for financial instruments in the preparation and presentation of financial statements; and
- d. Explain the need for consolidated financial statements, and consolidated procedures and prepare basic consolidated financial statements.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Accounting for assets and liabilities	20
B	Accounting for revenue and taxes	10
C	Accounting for financial instruments	15
D	Principles of consolidation	15
	Total	60

The contents are required to be covered in about 54 student contact hours. The 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.

Contents

A) Accounting for assets and liabilities (20%)

Focus	Content
Apply the relevant accounting standards in accounting for inventories.	Inventories (LKAS 2 ¹): definitions, measurement of inventories, cost formulas, disclosures.
Apply the relevant accounting standards in accounting for property, plant and equipment.	Property, plant and equipment (LKAS16 ²): definitions, recognition and measurement-cost model and revaluation model, depreciation, disclosures.
Apply the relevant accounting standards in accounting for intangible assets.	Intangible assets (LKAS 38 ³): definitions, recognition and initial measurement, measurement subsequent to initial recognition, amortization, disclosure.
Apply the relevant accounting standards in accounting for impairment of assets.	Impairment of assets (LKAS 36 ⁴): definitions, recognition and measurement of impairment loss, disclosure.
Apply the relevant accounting standards in accounting for borrowing costs.	Borrowing cost (LKAS 23 ⁵): definitions, capitalization of borrowing cost, disclosures.
Apply the relevant accounting standards in accounting for leases.	Leases (SLFRS 16 ⁶): preparation of accounting records for the lessee and the lessor.
Apply the relevant accounting standards in accounting for provisions, contingent liabilities and contingent assets.	Provisions; contingent liabilities and contingent assets (LKAS 37 ⁷): definitions, recognition and disclosures of provisions, contingent liabilities, and contingent assets.
Explain the key concepts in fair value measurement.	Definition of key terms as per SLFRS 13 ⁸ : (fair value, the asset or liability, the transaction, market participants, the price).

¹Sri Lanka Accounting Standard-LKAS 2 Inventories

²Sri Lanka Accounting Standard-LKAS 16 Property, Plant and Equipment

³Sri Lanka Accounting Standard-LKAS 38 Intangible Assets

⁴Sri Lanka Accounting Standard-LKAS 36 Impairment of Assets

⁵Sri Lanka Accounting Standard-LKAS 23 Borrowing Costs

⁶Sri Lanka Accounting Standard-LKAS 16 Property, Plant and Equipment

⁷Sri Lanka Accounting Standard – LKAS 37 Provisions, Contingent Liabilities and Contingent Assets

⁸Sri Lanka Accounting Standard - SLFRS 13 Fair Value Measurement

B) Accounting for revenue and taxes (10%)

Focus	Content
Apply the relevant accounting standards in accounting for revenue recognition process in relation to contracts with customers.	Process of identification of contract; performance obligation; transaction price; allocation of price; recognition of revenue in the financial statements as per SLFRS 15 ⁹ .
Apply the relevant accounting standards and prepare accounts for income tax.	Accounting treatment for current-year tax; over or under provision; deferred taxation as per LKAS 12 ¹⁰ .

C) Accounting for financial instruments (15%)

Focus	Content
Explain the terms - financial asset, financial liability and equity instruments.	Classification of financial instruments between assets, liabilities and equity; compound financial instruments (LKAS 32 ¹¹).
Discuss the specific requirements in accounting of financial instruments.	Recognition and de-recognition; measurement of financial instruments; accounting for hedging (SLFRS 9 ¹²).
Identify the disclosure requirement for financial instruments.	Disclosure requirements of financial instruments (SLFRS 7 ¹³).

⁹Sri Lanka Accounting Standard SLFRS 15 Revenue from Contracts with Customers

¹⁰ Sri Lanka Accounting Standard LKAS 12 Income Taxes

¹¹Sri Lanka Accounting Standard LKAS 32 Financial Instruments: Presentation

¹²Sri Lanka Accounting Standard SLFRS 9 Financial Instruments

¹³Sri Lanka Accounting Standard SLFRS 7 Financial Instruments: Disclosures

D) Principles of consolidation (15%)

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 3 ¹⁴ and SLFRS 10 ¹⁵).
Calculate goodwill, non-controlling interest and consolidated reserves.	Calculation of goodwill; non-controlling interest and consolidated reserves. (SLFRS 3 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 adjustments 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 the acquisition, (SLFRS 10).

Learning Aids

Mandatory reading:

Study Pack on Advanced Financial Accounting & Finance 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Hoyle J B, Schaefer T F & Douppnik T 2021, **Fundamentals of Advanced Accounting (8th ed.)**, McGraw-Hill, Irwin.

¹⁴Sri Lanka Accounting Standard SLFRS 3 Business Combinations

¹⁵Sri Lanka Accounting Standard SLFRS 10 Consolidated Financial Statements

Finance (40%)

Introduction

Managing financial resources is vital for the success of a business and thus requires proper consideration by the management. Therefore, 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 fulfil their role in a business. In this background, this intermediate level course unit provides a comprehensive discussion on some of the key concepts of financial management, which will be continued in SL4.2: Financial Strategy and Valuation at the Strategic Level of the study program.

Learning Outcomes

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

- a. Explain the role and scope of financial management;
- b. Explain the financial environment;
- c. Discuss the time value of money and its' applications;
- d. Discuss the risk-return relationship in investments;
- e. Explain the Capital Asset Pricing Model (CAPM); and
- f. Discuss working capital management of a firm.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Role and scope of financial management	05
B	Time value of money	10
C	Risk and returns	15
D	Working capital management	10
	Total	40

The contents are required to be covered in about 36 student contact hours. The time taken to cover the 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.

Contents

A) Role and scope of financial management (5%)

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; measures to minimize agency problem.
Explain the financial environment.	Financial institutions; regulators; payment and settlement systems; financial markets; financial instruments; international financial markets.

B) Time value of money (10%)

Focus	Content
Explain the reasons for individuals to demand a premium to delay the receipt of money.	Preference for early consumption; alternative investment opportunities; risk associated with future cash flows.
Discuss the present value and future value of cash flows.	Timeline; single cash flow; multiple cash flows; simple annuities; general annuities; intrinsic value of financial securities.
Discuss contingent payments.	Probability; mathematical expectation; contingent payments with time value.

C) Risk and returns (15%)

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.
Discuss the concept of portfolios effect of diversification, and the capital asset pricing model (CAPM).	Expected return and risk of portfolios; diversification of risks; systematic risk and unsystematic risk; efficient frontier; capital market line (CML); security market line (SML).

D) 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.
Apply 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.
Discuss inventory management.	Inventory policy; management of the cost relating to inventory; modern inventory management methods.
Explain different working capital financing policies.	Aggressive policy; conservative policy; moderate policy.
Explain the role of banks in working capital management.	Short-term financing facilities provided by banks; costs associated with short-term financing facilities.
Explain the implications of international trading towards working capital management.	Additional risks faced by exporters/importers in managing liquidity; measures to handle these risks; documentation related to international trading.

Learning Aids

Mandatory reading:

Study Pack on Advanced Financial Accounting & Finance 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Ross SA, Westerfield RW & Jordan B 2021, **Fundamentals of Corporate Finance (13th ed.)**, McGraw-Hill, NY.
Zima P & Brown RL 2011, **Mathematics of Finance**, Tata McGraw-Hill, New Delhi.

OL 2.3: MANAGING BUSINESS OPERATION, AUDIT & CONTROL (MBOAC)

This course unit consists of four main sections, namely Operations Management (25%), Marketing Management (25%), Human Resource Management (25%), and Audit and Control (25%).

Assessment

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

- Part I (40 marks) : Consists of twenty multiple-choice questions.
- Part II (60 marks) : Consists of case-based objective test questions.

Operations Management (25%)

Introduction

Operations management is concerned with managing the process of transforming inputs (resources) into outputs (goods and services) of an organization. Since it is important to respond to customer and market requirements quickly, at a low cost, and with high quality, operations play a vital role in increasing market share of an organization. In a competitive market, efficient and effective operations can provide an organization with major competitive advantages. The purpose of this course is to provide students with an understanding of concepts, issues and tools and techniques of operations management in manufacturing and service organizations. The topics covered in this course include operations strategy, processes, location, layout, quality management, and lean concepts.

Learning Outcomes

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

- a. Define 'operations', 'operations management' and related concepts;
- b. Identify the roles and responsibilities of operations managers in different organizational contexts;
- c. Identify the processes and tools of operations management; and
- d. Analyze business problems by using operations management techniques.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of operations function and strategy	10
B	Managing operations	15
	Total	25

The contents are required to be covered in about 22.5 student contact hours. The time taken to cover the 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.

Contents

A) Overview of operations function and strategy (10%)

Focus	Content
Present an overview of operations management.	Operations management; systems view of operations management; functions performed by operations managers; relationship to other functional areas; conversion process; differences between goods and services; types of transformations.
Discuss operations strategy.	Role of operations strategy; developing an operations strategy; competitive priorities; order winners, and order qualifiers.
Define the concepts and measures of productivity.	Productivity; computation of productivity; multi-factor productivity; comparison of productivity; improving productivity.
Describe different processes used by business organizations.	Different types of processes (project, batch, mass, and continuous); comparison of characteristics of different processes.

B) Managing operations (15%)

Focus	Content
Discuss the determinants of location of a plant.	Factors affecting plant location decisions; methods of evaluating location alternatives (factor-rating method, center of gravity methods).
Describe the plant layout decision and facility layout types.	Objectives of facility layout; basic layout types (process layouts, product layouts, fixed-position layout); facility layouts for services.
Discuss the different facets of total quality management (TQM).	Defining quality; dimensions of quality for goods; service quality attributes; costs of quality (internal failure, external failure, appraisal and prevention and implications); TQM: philosophy, definition, principles and implementation aspects (problems included); TQM techniques such as Deming wheel, fishbone diagram, Pareto chart, histogram.

Focus	Content
Describe the various aspects of Just-in-Time (JIT).	JIT and lean production principles and techniques; push vs. pull systems; types of waste; role of inventory reduction; uniform plant loading.
Discuss the concepts: employee empowerment and 5-S concepts.	Employee empowerment; 5-S concept.

Learning Aids

Mandatory reading:

Study Pack on Managing Business Operations, Audit & Control 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Russell RS & Taylor BW 2019, **Operations and Supply Chain Management (10th ed.)**, John Wiley and Sons Inc, Hoboken, NJ.

Chase RB & Jacob FR 2020, **Operations & Supply Chain Management (16th ed.)**, McGraw Hill Indian Reprint: McGraw Hill, New Delhi.

Gardiner D & Reefke H 2021, **Operations Management for Business Excellence: Building Sustainable Supply Chains (4th ed.)**, Routledge, UK.

Marketing Management (25%)

Introduction

This course intends to develop students' knowledge and competencies in key concepts and theories in marketing, the marketing process, and basic marketing strategies. In addition, the course facilitates students to apply their knowledge in marketing to develop strategies and to solve marketing-related issues in business organizations. As this course is in the Operational Level, the knowledge gained from the previous levels will benefit the students for a more productive learning experience.

Learning Outcomes

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

- a. Define marketing and core concepts in marketing;
- b. Recognize the role and importance of marketing in the present business context;
- c. Discuss the influence of key stakeholders on the marketing functions;
- d. Explain marketing strategies and tactics; and
- e. Apply the knowledge in marketing to develop appropriate strategies for entities.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of marketing and marketing orientations	10
B	Consumer behavior and developing competitive advantages	5
C	Overview of marketing strategies	10
	Total	25

The contents are required to be covered in about 22.5 student contact hours. The time taken to cover the 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.

Contents

A) Overview of marketing and marketing orientations (10%)

Focus	Content
Define marketing and core concepts in marketing.	Definition of marketing; marketplace and customer needs; designing a value driven marketing strategy; managing customer relationships and capturing customer value; core concepts in marketing.
Describe the role of marketing in the environmental context.	Role of marketing as a management function and as a business philosophy; importance of marketing in society; for individuals, and organizations.
Describe marketing management orientations.	Production orientation; product orientation; selling orientation; marketing orientation; societal marketing orientation; holistic marketing orientation.
Analyze the marketing environment.	Internal and external environmental analysis, identifying SWOT.

B) Consumer behavior and developing competitive advantages (5 %)

Focus	Content
Describe the consumer behavior model.	Stimulus-response model.
Describe the factors influencing consumer behavior.	Cultural factors; social factors; personal factors; psychological factors.
Explain types of consumer behavior.	Complex buying behavior; variety seeking buying behavior; dissonance reducing buying behavior; habitual buying behavior.
Discuss how to do a competitor analysis.	Different types of competitors; process of identifying competitors; assessing their strengths; weaknesses, objectives, and reaction patterns; deciding which one to attack and avoid.
Describe the competitive strategies.	Three generic strategies of competition: low-cost leadership, differentiation, focus.

C) Overview of marketing strategies (10%)

Focus	Content
Describe Segment-Target-Position (STP) strategies.	Segmentation; targeting; differentiating; positioning.
Describe marketing mix strategies.	Product; price; place and promotion; people, process, and physical evidence.

Learning Aids

Mandatory reading:

Study pack on Managing Business Operations, Audit & Control 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Kotler P & Armstrong G 2020, **Principles of Marketing (Global Edition) (18th ed.)**, Pearson, UK.

Human Resource Management (25%)

Introduction

The main aim of this course is to enable the students to develop systematic and rational knowledge about the theory and practice of human resource management (HRM). This course unit explains what HRM is, and why it is important to managers at all levels. It further explains the HRM activities such as hiring, training and development, performance management, and reward management. The course is designed in three parts. The first part focuses on the conceptual foundations of HRM. The next part will discuss the key activities of HRM while the final part will cover the legal aspects of HRM.

Learning Outcomes

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

- a. Explain what human resource management is;
- b. Comprehend the theoretical bases for HRM;
- c. Demonstrate a sound knowledge of key activities of HRM; and
- d. Apply the legal aspects of HRM to the workplace.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of HRM	05
B	Key activities of HRM	15
C	Legal aspects of HRM	05
	Total	25

The contents are required to be covered in about 22.5 student contact hours. The time taken to cover the 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.

Contents

A) Overview of HRM (05%)

Focus	Content
Define HRM and discuss how it relates to the management process.	Management process; definitions of HRM; line and staff aspects of HRM; importance of HRM to all managers; line managers' HRM responsibilities; human resource department.
Discuss the theoretical bases for HRM.	Behavioral perspectives of HRM; resource-based view; political influence perspective; Harvard framework.

B) Key Activities of HRM (15%)

Focus	Content
Discuss the job design elements and the methods of job design.	Efficiency elements; behavioral elements; job design methods; importance of job design.
Discuss the process of job analysis and its importance.	Steps of job analysis; methods of collecting job analysis data and information; job description; job specification; importance of job analysis.
Explain how to develop a human resource plan and its importance.	Steps of human resource planning; succession planning; importance of human resource planning.
Discuss the recruitment and selection processes.	Steps of recruitment and selection processes; advantages and disadvantages of recruitment policies; effectiveness of the employee recruitment; selection methods.
Explain the hiring and induction processes with the importance of induction.	Steps of hiring and induction processes; probationary period and confirmation of the service; importance of induction.
Discuss the performance management process.	Differences between performance appraisal and performance management; aims of performance management; steps of the performance management process.
Discuss the learning, training, and development processes.	Differences between learning, training, and development; stages of learning, training, and development processes; advantages of learning, training, and development for individuals and the organization.

Focus	Content
Discuss the aims and the components of reward management.	Aims of reward management (pay, incentives, other benefits).
Discuss how to handle people's problems.	Discipline management; employee grievances management.

C) Legal aspects of HRM (05%)

Focus	Content
Discuss the contract of employment and the remedies available to employees.	Contract of employment; contract of service; contract for service; termination of the contracts; arbitration; labor tribunals; labor courts,
Discuss the importance and application of main labor statutes and rules.	Shop and Office Employees Act; Wages Boards Ordinance; Maternity Benefits Ordinance; ETF Act; EPF Act; Payment of Gratuity Act, Termination of Employment of Workmen Act, Industrial Disputes Act; Factory Ordinance.
Discuss 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, Audit & Control (2023) Certified Management Accountants of Sri Lanka, Colombo.

Supplementary Readings:

Armstrong M 2023, **Armstrong's Handbook of Human Resource Management Practice**, Kogan Page, London.

Dessler G & Varkkey B 2020, **Human Resource Management**, Pearson, Chennai.

Opatha H H D N P 2019, **Human Resource Management**, Department of Human Resource Management, University of Sri Jayewardenepura, Colombo.

Audit & Control (25%)

Introduction

The Audit and Control section of this subject consists of various kinds of internal audits and controls, taking an operations management perspective (the aspect of the external audit function and other assurance engagements are included in ML 3.2: corporate reporting & assurance). Accordingly, this subject component comprises of concepts of internal audit and internal controls with an emphasis on their importance. Further, the analysis and the application of the internal audit function, internal controls, and techniques are included along with the guidance to make appropriate recommendations.

Learning Outcomes

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

- a. Explain the concept of internal audit and its functions and importance;
- b. Explain internal controls and their importance; and
- c. Analyze the internal audit function, internal controls, and techniques and make appropriate recommendations.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of audit	15
B	Internal control	10
	Total	25

The contents are required to be covered in about 22.5 student contact hours. The time taken to cover the 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.

Contents

A) Overview of audit (15%)

Focus	Content
Explain the concept of audit.	Definition of an audit (in general).
Distinguish between internal and external audit.	Internal audit; external audit; differences between them.
Discuss the importance and limitations of internal auditing function and various types of it.	Importance of internal audit function; limitations of internal auditing function; various types of internal audit assignments (value for money, IT and systems, operational, compliance, fraud investigations).
Apply the internal audit function in an entity.	Implementation of internal audit function in an entity (in-house development vs outsourcing).

B) Internal control (10%)

Focus	Content
Explain the concept of internal controls.	Definition of internal controls.
Discuss the importance and limitations of internal controls.	Importance of internal controls; limitations of internal controls.
Discuss COSO's integrated internal control system.	COSO's integrated internal control system; control environment; risk assessment; control activities [including computer assisted audit techniques (CATTs)], information and communication; monitoring activities.
Apply the internal controls to an entity.	Application of internal controls to an entity using COSO integrated internal control framework.

Learning Aids

Mandatory reading:

Study Pack on Managing Business Operations, Audit & Control 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013, Internal Control-Integrated framework 2013, New York.

International Internal Audit Standards Board (IIASB) 2016, **International Standards for the Professional Practice of Internal Auditing**, The Institute of Internal Auditors (IIA), Florida.

OL 2.4: TAXATION & COMMERCIAL LAW (TCL)

This course unit includes two main sections, Taxation (50%) and Commercial Law (50%).

Assessment

Taxation

The test paper, with the following composition, will be of one and half-hour duration.

- Part I (20 marks) : Consists of ten multiple-choice questions.
- Part II (30 marks) : Consists of case-based objective test questions.

Commercial Law

The test paper, with the following composition, will be of one and half-hour duration.

- Part I (20 marks) : Consists of ten multiple-choice questions.
- Part II (10 marks) : Consists of case-based objective test questions.
- Part III (20 marks) : Consists of structured questions.

Taxation (50%)

Introduction

This course unit aims to develop technical knowledge and skills relating to the tax system in Sri Lanka. The syllabus of this course unit covers the rationale for the introduction of the tax system and detailed knowledge of the chargeability of taxes from different persons on various sources and their basic tax compliance obligations. On completion of this course unit, students should be able to compute the tax liability of different persons, explain the basis of calculation and identify basic tax compliance obligations to be adhered to by different persons. The knowledge developed in this course unit will be further enhanced by ML4: Advanced Taxation course delivered at the Managerial Level.

Learning Outcomes

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

- a. Describe the social and economic impact of the tax system;
- b. Explain the imposition of income tax on different persons on various sources of income;
- c. Compute income tax and other tax liability of an individual and other entities; and
- d. Identify the basic tax compliance requirements of a person in Sri Lanka.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of tax system	10
B	Sources of income	15
C	Taxable income of an unincorporated entities	10
D	Other types of taxes	10
E	Overview of tax compliance system	05
	Total	50

The contents are required to be covered in about 45 student contact hours. The time taken to cover the 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.

Contents

A) Introduction to tax system (10%)

Focus	Content
Define taxation.	Social and statutory meaning of tax; tax payment as the social responsibility of citizens and businesses; taxation ecosystem; objective and characteristics of taxation; the primary purpose of levying taxes; social and economic functions of taxation; the functional relationship between tax rate and government revenue.
State tax authorities, their role and the taxes levied in Sri Lanka.	Historical roots of the tax system in the world and the direct and indirect taxes levied in Sri Lanka; Department of Inland Revenue; Provincial Department of Revenue; Department of Customs; Excise Department.
Explain the principles of taxation.	Equity; progressivity; certainty; simplicity; stability; convenience; economy; adequacy; broader base; the use of these principles in tax imposition.
Identify behavioral attitudes of taxpayers.	Factors impacting tax compliance behavior; voluntary tax compliance and self-assessment system; enforced tax compliance; tax avoidance and tax evasion; legitimate and illegitimate tax planning; tax avoidance.
Explain sources of the tax law.	Statutory, administrative and judicial sources and their legal validity; secondary sources (guidelines, commentaries, textbooks/handbook and legal dictionaries), their usage and statutory recognition.
Explain the legal framework of taxation.	Legislation governing income tax; value added tax (VAT), social security contribution levy (SSCL); stamp duty.
Explain the imposition of income tax and persons liable to pay income tax.	Charging of income tax under Inland Revenue (IR) Act; who is liable to pay tax (individuals and entities), frequency (year of assessment), on what tax to be paid (gains and profits; accounting principles in taxation), at what rate and tax charge based on source principal and resident principal by evaluating the resident status of an individual and entities.

B) Sources of income (15%)

Focus	Content
Explain the concept of assessable income.	Assessable gains and profits are liable for income tax from different sources of income.
Describe the basis for recognizing employment income.	Conclusive test used to identify the relationship between employer and employee, present, past and prospective employment; fundamental test used to distinguish contact of service from contract for service (use relevant case law); source of employment.
Identify the gains and profits from employment.	Regular profits from employment; non-cash benefits and value of non-cash benefits; lump sum payments; terminal benefits; payment to the third party; payments on agreements and other payments.
Identify the exempted income and the excluded amount.	Excluded amounts in calculating employment income; exempted employment income.
Compute the assessable income from employment.	Assessable income from employment as per the provisions of the IR Act.
Explain the basis of recognizing business.	Defining business; characteristics of trade; profession and vocation; employment income from business income vs business income from investment income; method of accounting for business income (<i>use the relevant case law</i>).
Identifying the gains and profits from the business.	Service fees; consideration received in respect of trading stock; gains from the realization of capital assets and liabilities; realization of depreciable assets of the business; consideration for accepting a restriction on the capacity to conduct the business; gifts received by the person in respect of the business; amounts derived that are effectively connected with the business.
Compute assessable income from the business.	Deduction rules: general rule, main rule and specific rules; loss adjustments; enhanced capital allowance; transitional provisions; assessable income from the business (<i>use the relevant case law</i>).

Focus	Content
Explain the basis of recognizing the investment income.	Investment income; investment assets; method of accounting <i>(use the relevant case law)</i> .
Explain the gains and profits from the investment.	Dividends, interest, discounts, charges, annuities, natural resource payments, rents, premiums and royalties; gains from the realization of investment assets; consideration for accepting a restriction on the capacity to conduct the investment; gifts received; winnings from lotteries, betting or gambling; other amounts.
Compute the assessable income from investment.	Deduction rules applicable to compute investment income; exempted investment income; loss adjustment; investment income excluding the gain from the realization of investment assets.
Explain the gain from the realization of investment assets.	Consideration received on the realization of investment assets; cost of investment assets realized; time of realization of assets and liabilities; realization with retention; transfer of assets with zero gain or for no consideration.
Compute the capital gains and losses.	Gain and loss from the realization of assets and liabilities; procedure for payment of tax.
Explain the income from other sources.	Source of other income; computation of assessable income from other sources.

C) Taxable income of an unincorporated entities (10%)

Focus	Content
Explain the taxable income.	Total assessable income; qualifying payments and relief; conditions apply to claim qualifying payments and relief, and tax credits.
Describe the exemptions from income tax.	Exemptions available under Schedule 3; final withholding payments.
Identify the tax rate applicable to an individual.	Tax rate applicable for residents and non-resident individuals; tax rate applicable for retirement benefits and capital gain.
Compute the income tax liability of an individual.	Taxable income of an individual; gross tax payable; balance tax payable after claiming tax credits.
Define a partnership.	Legal status of the partnership; business activities of the partnership; imposition of taxation on the partnership; allocation of profits to partners (use the relevant case law).
Compute the income tax payable by the partnership.	Qualifying payments and relief for partnerships; liability of the partnership on taxable income; adjustment in allocating the partner's share of profit/loss; final tax payable by the partnership.
Compute tax payable by partners.	Allocation of the partner's share of income/loss; tax paid and calculation of the tax payable by partners.
Compute the income tax payable by the trust.	Trust; validity of the trust; beneficiaries; income tax on the income of the trust; tax on distribution to beneficiaries; tax on the gain from the realization of the investment assets by the trust.
Compute the income tax payable by charitable institutions.	A charitable institution; tax exemptions for charitable institutes; computation of taxable income and tax payable by the charitable institution; tax on the gain from the realization of investment assets by the charitable institution.
Compute the income tax payable by non-governmental organizations (NGOs).	A non-governmental organization; difference between an NGO from an approved charity; taxable income and tax payable by the NGO; tax on the gain from the realization of the investment assets by the NGO.

D) Other types of taxes (10%)

Focus	Content
Describe the scope of VAT.	Concept of value addition; background of VAT; scope of VAT.
Explain the imposition of VAT.	Chargeability and exclusion; registration threshold; voluntary and mandatory registration; cancellation of registration.
Interpret important terms of VAT.	Supply of goods; supply of services; time of supply; taxable period; taxable activity; place of transaction; value of supply.
Compute VAT payable.	Input VAT and output VAT; mixed supply; disallowable inputs; tax credits.
Explain the imposition of Stamp Duty.	Background and chargeability of stamp duty; exemptions; value for charging stamp duty; registration.
Compute stamp duty payable.	Rates of stamp duty; method of payment; timing of payment; cancellation of registration; issuing the certificate.
Explain the imposition of the Social Security Contribution Levy (SSCL).	Background and chargeability of SSCL; taxable persons; exemptions; registration threshold.
Explain the basic import and export procedure.	Basic import and export procedure; documents; CUSDEC; valuation process.
Explain taxes charged by Sri Lanka Custom.	Imposition; exemption; computation and payment of customs duty; CESS; port and aviation development levy (PAL); excise duty; VAT on imports.
Demonstrate the share transaction levy (STL).	Imposition; exemption; calculation; payment of the levy; administration.
Demonstrate tourism development levy (TDL).	Imposition; exemption; calculation; payment of the levy; administration.
Demonstrate excise taxes.	Imposition; exemption; calculation; payment of the levy; administration.
Demonstrate telecommunication levy and CESS.	Imposition; exemption; calculation; payment of the levy; administration.

E) Overview of tax compliance system (5%)

Focus	Content
Discuss taxpayer's rights.	Taxpayer's rights and obligations.
Explain tax ruling.	Public ruling; private ruling; role of the interpretation committee.
Discuss the role of the tax agent and tax compliance ethics.	Concept of a tax agent; tax intermediaries; statutory recognition of registered tax agents; authorized representatives; approved accountants and their statutory duties; impeding tax administration; integrity, professional competence and due care, professional behavior; maintaining standards in tax planning; fundamental rights of tax agents.
Explain the payment and returns compliance.	Tax payment methods by withholding; installment and on assessment; time of payments; requirements to file a tax return; different tax returns required to file under the Inland Revenue Act and the time of filing those returns; penalties charged for non-compliance; assessments; remedies for assessments.

Learning Aids

Mandatory reading:

Study Pack on Taxation & Commercial Law 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Inland Revenue Act No. 24 of 2017 and amendments thereto.

Balarathnam S 2018, **Income Tax in Sri Lanka (6th ed.)**, Tax Publications Ltd, Colombo.

CA Sri Lanka Guide to Income Tax Law, The Institute of Chartered Accountants of Sri Lanka, Colombo.

Commercial Law (50%)

Introduction

This course unit provides students an overview of the fundamental aspects of commercial law which are vital for management related subject. Businesses and financial institutions are subject to laws, regulations, standards and ethics, 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 commercial law unit provides students with an introduction to law, legal and judicial system of Sri Lanka, law of contracts, negotiable instruments, the environment and pollution control, and current developments in the commercial sphere.

Learning Outcomes

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

- a. Identify the general principles, laws and regulations of commercial law;
- b. Explain different types of contracts and their consequences;
- c. Apply the knowledge and skills related to law in selected commercial situations from the management perspective;
- 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 (%)
A	Overview of the Sri Lankan constitution and the legal regime	10
B	Law of obligations	15
C	Special contracts	15
D	Law relating to negotiable instruments	05
E	Criminal law and current developments relating to business	05
	Total	50

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.

Contents

A) Overview of the Sri Lankan constitution and the legal regime (10%)

Focus	Content
Identify the constitution and its importance to business.	Role of the constitution in the business context; human rights; fundamental rights.
Describe the main branches of the state.	Main branches of the state: executive, legislature, and judiciary.
Identify the legal system, courts in Sri Lanka, and their functions.	Multiple legal systems in Sri Lanka; criminal and civil courts in Sri Lanka.
Explain alternative dispute resolution mechanisms and their procedures.	Arbitration; conciliation; mediation; ombudsman schemes; human rights commission.
Identify the functions of regulatory institutions.	Regulatory role and main functions of each of the below institutions: Institute of Chartered Accountants of Sri Lanka, Sri Lanka Accounting and Auditing Standards Monitoring Board, Securities and Exchange Commission, Colombo Stock Exchange, Board of Investment, Registrar of Companies, Dept. of Customs, the Central Bank (exchange of control aspect) and Credit Information Bureau (CRIB), Bribery Commission.

B) Law of obligation (15%)

Focus	Content
Explain the requirements of a valid contract. Explain conditions, warranties and exemption clauses.	Offer and acceptance; intention to create legal relations; consideration; capacity and form.
Describe the effect of Unfair Contract Terms Act No. 26 of 1997.	Meaning of terms of contract (conditions, warranties, exemption clauses); effect of exemption clauses; Unfair Contract Terms Act No. 26 of 1997.
Discuss mistakes, misrepresentation, duress and undue influence and their consequences.	Mistakes; misrepresentation; duress; undue influence; their consequences.
Explain the manner in which contracts can be terminated.	Performance; agreement; frustration; breach of contract by operation of law.

Focus	Content
Explain the contractual remedies for breach of contract.	Damages; specific performance; quantum meruit; injunctions; restitution.
Explain the concept of privity of contract, unjust enrichment and laesio enormis.	Privity of contract; unjust enrichment; laesio enormis.
Compare the concepts of delictual liability and contractual liability, negligence; professional negligence and vicarious liability.	Difference between contractual liability and delictual liability; negligence; duty of care; professional negligence; vicarious liability.

C) Special contract (15%)

Focus	Content
Define sale and agreement to sell.	Sale of goods contract; agreement to sell.
Compare the contract of sale and other contracts.	Requirement of a sale of goods contract; work and material contract; employment contract; service contract; leasing and hire purchase.
Explain implied conditions and warranties.	Conditions; warranties.
Explain the time at which there is a passing of risk and a transfer of title in goods.	Passing of risk; transfer of title.
Describe the remedies available to buyer and seller.	Remedies which are available to a buyer and seller; rights of an "unpaid seller".
Explain the creation of agency and different types of agencies.	Relationship between principal and agent; agency by express agreement; implied agreement; agency by operation of law; agency by ratification; agency by estoppel; agency by necessity; agency by marriage and cohabitation; types of agents.
Explain the instances under which an agent may acquire authority.	Express authority; implied authority; apparent or ostensible authority.

Focus	Content
Explain the duties of an agent and duties of the principal.	Duties of agent; duties of principal.
Explain the circumstances under which a contract of agency may be terminated.	Termination of agency by the act of parties; termination of agency by operation of law.
State the liability of agents for acts done whilst acting for a named, unnamed and undisclosed principal.	Named principal; unnamed principal; undisclosed principal; liability of the state for acts done by its agents.
Explain the creation of a partnership, requirements to form a valid partnership and formalities contained in the Prevention of Frauds Ordinance.	Characteristics of a partnership; requirements to form a valid partnership; Prevention of Frauds Ordinance.
Explain the relationship of partners with other partners and with third parties.	Relationship between partners; relationship between partners and third parties.
Explain the liability of partners.	Delictual liability; criminal liability and contractual liability.
Explain the manner in which a partnership could be dissolved.	Dissolution of a partnership.
Explain principles regarding the formation of a contract of insurance, hire-purchase and leasing.	Principles regarding the formation of a contract of insurance; uberrimae fidei; insurable interest and indemnity; concepts of hire-purchase; obligations of hirer and owner; obligations of the lessee and lessor; recovery of possession.

D) Law relating to negotiable instruments (5%)

Focus	Content
Define cheques, bills of exchange, and promissory notes.	Definition of cheques; bills of exchange and promissory notes; Bills of Exchange Act.
Explain the functions of cheques, bills of exchange and promissory notes.	Functions of cheques; bills of exchange; promissory notes.
Describe the principles applicable to cheques and their commercial significance (endorsements, crossings, dishonoring and banker's liability).	Endorsements; crossing; dishonoring and banker's liability.

Focus	Content
Explain the significance of “holder in due course”.	Commercial significance of holder in due course.
Identify the parties to a credit card transaction.	Credit card contract; parties to a credit card contract.

E) Criminal law and current developments relating to business (5%)

Focus	Content
Discuss the law relating to anti-money laundering.	National Environment Act; other statutory laws (Land Acquisition Act, Forest Ordinance, Coast Conservation Act, Nuisance Ordinance, Urban Councils Ordinance); environmental approval of projects.
Discuss the importance of an environment-friendly business. 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 and other legislation relating to e-commerce; Personal Data Protection Act No.9 of 2022.

Learning Aids

Mandatory reading:

Study Pack on Taxation & Commercial Law 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Weerasooria W 2010, **A Textbook of Commercial Law (Business Law)**, The Postgraduate Institute of Management, Colombo.

Austen-Baker R, Akintola K, Ahmed M 2022, **Principles of Commercial Law**, Edward Elgar Publishing, Cheltenham.

Bradgate R 2000, **Commercial Law (3rd ed.)**, Oxford University Press, USA.

OL 2.5: PROFESSIONAL COMMUNICATION (PC)

Introduction

The demand for employees who can negotiate effectively in English is ever-increasing in the private sector as well as in the public sector. Driven to focus mainly on general English and academic English, most educational institutions fail to provide their students with the necessary English language skills to succeed in the world of work. This course is custom-designed to help anyone who wants to improve their ability to communicate effectively in English in a business setting and aims to further the English language skills imparted at the certificate level.

Learning Outcomes

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

- Apply moderately complex formal and informal spoken communication related to life experience;
- Apply a range of moderately complex texts in relevant social, educational, and work-related situations;
- Write clear, moderately complex texts, including responses, on familiar concrete topics within practical and relevant contexts of daily social, educational, and work-related life experience;
- Communicate with some confidence in routine social, educational, and work situations, and present information on a range of familiar topics; and
- Use a variety of grammatical structures and a wide range of lexical resources and registers.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Listening	20
B	Reading	25
C	Writing	25
D	Speaking	30
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Part I (40 marks) : Speaking

Part II (10 marks) : Listening

Part III (50 marks) : Reading and writing

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

Contents

A) Listening (20%)

Focus	Content
Demonstrate an understanding of moderately complex social exchanges (such as expressions of and responses to gratitude, expectations, appreciation, complaints, disappointment, satisfaction, dissatisfaction, approval, and disapproval).	Identify implied meanings; recognize language functions; distinguish formal and casual style and register; understand the purpose of the expressions and the responses; detect mood, attitude, and emotional states from tone and intonation; ascertain speech situation and relationship between speakers.
Apply moderately complex directions and instructions for technical or non-technical tasks.	Follow sequence markers, cohesive devices, or other linguistic clues to infer order of steps; respond with actions to directions and instructions.
Demonstrate an understanding of moderately complex communication intended to influence or persuade (such as requests, reminders, and orders) in situations related to personal or general experiences.	Identify the purpose, main ideas, and factual details; identify implied meanings; identify the functions of utterances (such as requests and reminders); follow the discourse markers signaling cause and effect, condition, and result.
Demonstrate an understanding of short group interactions, discussions, and meetings on familiar topics, extended descriptive or narrative monologues or presentations about personal experiences, general knowledge, or familiar work-related topics.	Identify factual details, main ideas, and supporting details; make inferences; identify discourse markers and patterns of chronological order and sequence, comparison and contrast, and cause and effect; identify facts and opinions; interpret factual information, explanations, and opinions.
Acquire necessary listening skills in order to follow and comprehend discourse such as lectures, discussions, and interviews.	Acquire strategies to listen actively; acquire strategies to take effective notes; distinguish cues that indicate examples, cause-effect relationships, and comparison-contrast; understand the speaker's point of view; make predictions based on what was heard.

B) Reading (25%)

Focus	Content
Demonstrate an understanding of moderately complex personal and public social messages (such as those conveying appreciation, complaints, hopes, satisfaction, and dissatisfaction).	Identify specific factual details and implied meanings; recognize the purpose of the message; establish reader-writer relationship; detect mood and attitude of the writer; identify context, register, and style.

Focus	Content
Apply moderately complex instructions for multi-step procedures related to familiar tasks, which may be specialized or technical.	Interpret sequence and location signals and implied meanings to infer the correct sequence; follow instructions as required to complete a task.
Obtain information from moderately complex business communication.	Identify main ideas, key details, and implied meanings; identify the writer's purpose, intent, mood, and attitude; scan text and make inferences to select relevant information.
Apply moderately complex extended descriptions, reports, and narrations on familiar topics.	Apply key arguments and distinguish facts from opinions; infer meaning of unfamiliar words, phrases, and idiomatic expressions using contextual, structural, and morphological clues; evaluate ideas in the text to draw conclusions; identify organization of text and links between paragraphs; summarize relatively complex texts (such as reports, articles, and narratives); synthesize information from several sources with a reasonable degree of accuracy.
Interpret information contained in moderately complex formatted texts (such as tables, graphs, diagrams, and flow charts).	Extract information from different visual formats; follow the sequence of a process.

C) Writing (25%)

Focus	Content
Convey personal messages in formal and informal correspondence for an expanding range of social purposes (such as expressing and responding to appreciation, complaints, disappointment, satisfaction, dissatisfaction or hope).	Convey the intended meaning; use language, format, and content appropriate to the situation and audience; express main ideas and support them with details; use a variety of simple and complex grammatical structures and a range of lexical resources and registers.
Reduce short oral discourse (such as live or pre-recorded telephone messages, pre-recorded public information, or short presentations) to notes or messages; Reduce a text of up to about two pages to an outline or a summary.	Reduce information to important points with accurate details and no major omissions; take notes in point form from an oral presentation; write messages with accurate and legible details; record details such as names, addresses, dates and directions with correct spelling and advanced punctuation (such as colons, semi-colons, quotation marks); summarize short texts (such as reports, articles, narratives) which contain complex language.

Focus	Content
Write business correspondence for a range of purposes (such as passing on information, and making and responding to requests, recommendations, and warnings).	Communicate a clear message; convey a sense of audience in language and format.
Write two or three connected paragraphs to relate a familiar sequence of events, a detailed description, and information presented in visual form, or provide a detailed description of a routine or procedure.	Address purpose of a task; express main ideas and support them with details; present text as a coherent, connected whole with good use of appropriate connectives; provide accurate and detailed descriptions, explanations, or accounts of events in a clear sequence.

D) Speaking (30%)

Focus	Content
Participate in less routine social conversations for everyday purposes (such as expressing and responding to appreciation, complaints, satisfaction, dissatisfaction, and hope).	Open, maintain, and close a short formal conversation; ask follow-up questions to keep the conversation going; show developing ability to hold the floor and to resume after an interruption; confirm own comprehension by repeating or paraphrasing.
Participate in routine telephone conversations.	Greet a caller, and close a conversation using appropriate conventions and expressions; provide information required or leave accurate messages in some detail; clarify and confirm information.
Give instructions and directions for technical and non-technical tasks, procedures, and processes.	Use the correct sequence of steps; use clear references and provide necessary details; check to confirm understanding.
Give extended suggestions, recommendations, or advice.	Use appropriate persuasive arguments; use modals with the appropriate level of politeness.
Participate in multi-speaker conversations, appropriately using some basic hedging devices and softeners.	Provide necessary information; ask and address relevant questions; summarize information and ideas to clarify and confirm understanding; use hedging devices and softeners appropriately.

Focus	Content
Give presentations and deliver impromptu speeches with some degree of fluency and accuracy.	Present information using connected discourse; use an appropriate introduction, development, and conclusion; use connectives appropriately; use a variety of simple and complex grammatical structures and a range of lexical resources and registers appropriately and fairly accurately; demonstrate awareness of components of a presentation, effective visual aids, appropriate body language, eye contact, volume, and rate.

Learning Aids

Mandatory reading:

Study Pack on Professional Communication 2023, Certified Management Accountants of Sri Lanka, Colombo.

OL 2.6: INFORMATION TECHNOLOGY APPLICATIONS (ITA)

Introduction

This is an introductory-level skill course unit with a wide coverage of Information Technology (IT) applications. The course imparts knowledge and skills pertaining to word processing, applications of spreadsheets, creating presentations as well as managing simple databases. With a heavy quantum of laboratory work accompanied by self-study, the course unit will serve as a precursor to other IT-related course units, i.e., ML 3.6: Data Analytics, SL 4.6: Digital Tools for Accountants, and SL 4.7: Advanced Data Analytics. This course unit assumes familiarity of students with basic theoretical aspects of IT. In case a student is deficient in this respect, she/he is advised to read Basic Theoretical Aspects to Information Technology (2021), Certified Management Accountants of Sri Lanka, Colombo, with a view to bridging the knowledge gap. This, however, will not form part of the assessment process.

Learning Outcomes

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

- Demonstrate knowledge and skills in creating professional documents;
- Demonstrate knowledge and skills in using spreadsheets in solving problems and managing data/information;
- Demonstrate effective use of presentation software; and
- Apply the knowledge of database concepts to create databases for real world scenarios.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Word processing	10
B	Spreadsheets	50
C	Presentations	10
D	Database management	30
	Total	100

The contents are intended to be covered in about 30 student contact hours. However, depending on the practical circumstances the allocated time could vary. The time taken to cover the 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 given above.

Assessment

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

Part I (30 marks) : Consists of fifteen multiple-choice questions (30 minutes).

Part II (70 marks) : Consists of practical questions (2.5 hours).

The practical question will assess students' skills in using computer software in the areas covered in the course unit. Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Word processing (10%)

Focus	Content
Demonstrate the use of word processing software.	Introduction to word processing and Microsoft Word; basic formatting; inserting pictures, clip arts, and tables; applying multiple columns layouts; applying bullets and numbers to text, document proofing features.
Demonstrate the use of advanced word processing tools.	Inserting SmartArt, table of contents footnotes and endnotes, bookmarks; cross-referencing; autocorrect; custom dictionaries; document commenting; tracking changes; comparing documents; protecting documents; understanding fields.

B) Spreadsheets (50%)

Focus	Content
Describe the background and usage of spreadsheet applications.	Introduction to spreadsheets and Microsoft Excel.
Demonstrate skills in presenting data with formatting based on criterion and validating data.	Basic formatting of data in sheet; introduction to formula; developing simple formula; Introduction to functions; using functions in different function categories (logical, financial, statistical); organizing data using sorting and advanced sorting; filtering and advanced filtering.
Demonstrate skills in retrieving data from tables and matrixes.	Conditional formatting; data validation; working with ranges. Using lookup function; using match function with lookup functions; nesting lookup functions.
Possess the basic skills in using integrated applications for accounting.	Recording macros and understanding simple macro codes; using macro applications.
Possess the skills in developing models for management accounting and financial management.	Introduction to what if analysis; goal seek; sensitivity analysis to find feasible combinations of loan plans and amounts; analyzing and presenting data with pivot tables and pivot charts.

C) Presentations (10%)

Focus	Content
Demonstrate the use of presentation software.	Introduction to Microsoft PowerPoint; tips for making an effective presentation; formatting a presentation; applying animations; adding tables and charts; managing slide master and printing.
Demonstrate the use of advanced presentation software.	Working with images, WordArt, shapes and SmartArt; making global changes to the presentations, creating links between slides and applying animations to slides; applying advanced animation effects to text and objects; sharing and saving presentations (One Drive and Office 365).

D) Database management (30%)

Focus	Content
Demonstrate the concept of a database.	Introduction to databases and database management systems; advantages of using databases against using flat files; data modeling; creating conceptual schema by identifying the entities; attributes and relationships in a domain; drawing the entity relationship model; introducing relational database model; converting the conceptual schema to a logical schema that is compatible with the relational database model; drawing the entity relationship model.
Demonstrate the use of advanced features of data management.	Introduction to Microsoft Access; creating databases; data types; creating the physical database schema and then creating the relevant tables; identifying the primary keys; identifying the foreign keys; creating relationships between tables; referential integrity; creating different types of queries (select, calculation, parameter, aggregate, action); creating forms, using wizard and designing; creating reports, using wizard and designing.

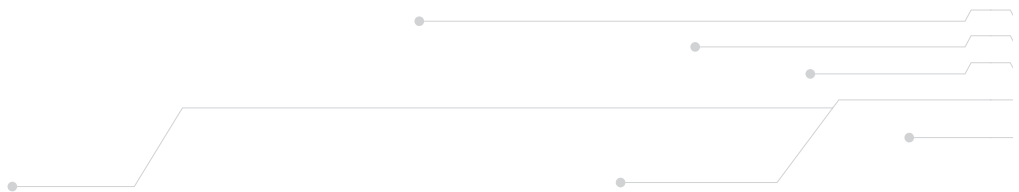
Learning Aids

Mandatory reading:

Study Pack on Information Technology Applications 2023, Certified Management Accountants of Sri Lanka, Colombo.

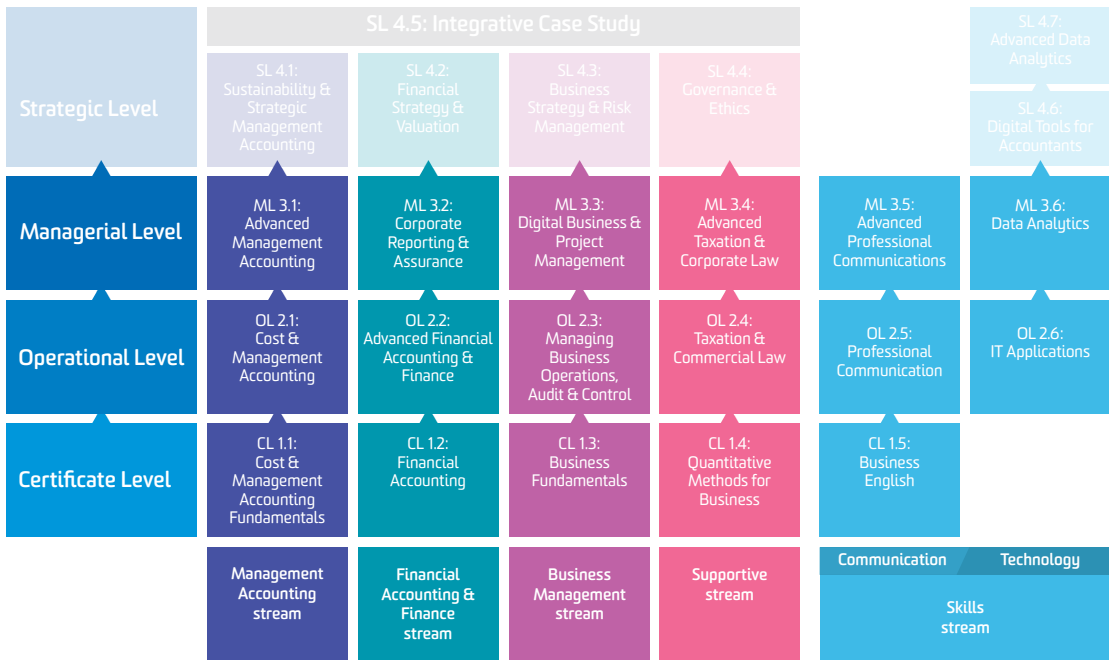
Supplementary readings:

Website of Microsoft Help on Office Applications.



CMA Professional Program 2023-2027

MANAGERIAL LEVEL



Level 3 – MANAGERIAL

Core

- ML 3.1: Advanced Management Accounting
- ML 3.2: Corporate Reporting & Assurance
- ML 3.3: Digital Business & Project Management
- ML 3.4: Advanced Taxation & Corporate Law

Skill

- ML 3.5: Advanced Professional Communications
- ML 3.6: Data Analytics

ML 3.1: 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. Thus, the course unit intends 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 CL 1.1: Fundamentals of Cost and Management Accounting and OL 2.1: Cost and Management Accounting.

Learning Outcomes

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

- a. Discuss various advanced aspects of management accounting techniques;
- b. Discuss advanced aspects of capital budgeting decisions;
- c. Evaluate the performance of divisionalized and hierarchical organizations;
- d. Assess new developments in management accounting for use in organizations; and
- e. Evaluate the risk management strategies of an organization.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Advanced aspects of management accounting techniques	25
B	Advanced aspects of capital budgeting	15
C	Responsibility accounting and performance measurement	25
D	Management accounting in the modern business environment	20
E	Risk management	15
	Total	100

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

Assessment

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

- Part I (20 marks) : Consists of ten multiple-choice questions.
Part II (50 marks) : Consists of case-based objective test questions.
Part III (30 marks) : Consists of structured questions.

Contents

A) Advanced aspects of management accounting techniques (25%)

Focus	Content
Apply the derivation of the optimum product mix under constraints while emphasizing the interpretation of results.	Product-mix decisions with multiple capacity constraints; linear programming-graphical and simplex method (<i>Simplex method- only interpretation of final formats is required</i>).
Discuss further aspects of Activity Based Costing (ABC) and Activity Based Management (ABM).	Activity based view of costs; activity hierarchy of ABC; Activity ABM; implementing ABC system and pitfalls.
Discuss various applications and extensions of ABC.	Customer profitability analysis; distribution channel profitability analysis; direct product profitability analysis and strategic cost management.
Identify the major influences on pricing decisions.	Pricing determinants; role of cost information in pricing decisions; pricing decisions: long-run, short-run.
Apply various pricing methods.	Pricing methods (cost-plus, market based, and ABC); their computations.
Discuss digital costing and pricing.	Characteristics of digital costing and pricing; challenges in applying digital product costing.

B) Advanced aspects of capital budgeting (15%)

Focus	Content
Discuss further aspects of capital budgeting incorporating the effects of taxation and inflation.	Incorporation of inflation and taxation into capital budgeting decisions.
Prioritize projects when capital is limited.	Capital rationing decisions (payback index, replacement chain method, annualized equivalent approach).
Evaluate asset financing and replacement decisions.	Financing the capital budgeting decisions (lease vs. buy decisions); replacement decisions.

C) Responsibility accounting and performance measurement (25%)

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 centers (cost centers, standard cost centers, revenue centers, contribution centers, profit centers, investment centers); shared servicing.
Discuss the impact of transfer pricing on divisional performance measurement.	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); performance evaluation and behavioral issues in transfer pricing.
Discuss techniques available to evaluate the performance of investment centers.	Financial performance measures [return on investment (ROI) and its secondary ratios, residual income (RI), economic value added (EVA)] and evaluation of these different techniques.
Discuss the limitations of financial performance measurement systems and the use of balanced scorecard (BSC) as an integrated performance measurement tool in assessing divisional performance.	An overview of financial performance measures; limitations of financial performance measures; non- financial performance measures; the BSC and applications.

D) Management accounting in the modern business environment (20%)

Focus	Content
Describe developments in manufacturing technologies impacting management accounting.	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); 3D printing/additive manufacturing.
Discuss new developments in management accounting practices.	Total quality management (TQM); just-in-time systems; lean manufacturing (including different types of wastes); six sigma; life cycle costing; target costing; value engineering and functional analysis; kaizen costing; activity-based cost management; business process re-engineering (BPR); value chain analysis; value stream costing; benchmarking.
Compare and contrast the 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).

E) Risk management (15%)

Focus	Content
Describe different types, sources and nature of risk faced by an organization.	Difference between risk and uncertainty; risks: types and sources of risk; risk as threat, uncertainty and opportunity.
Discuss the risk assessment process.	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.	Risk management and shareholder value; benefits and limitations of risk management; enterprise risk management.
Discuss different risk management strategies.	Risk management/mitigation strategies (avoid, transfer, mitigate, keep/accept).
Describe risks in international trade.	Different types of risk (credit, political, transaction, translation and operating); managing foreign exchange risk and the techniques available.

Learning Aids

Mandatory reading:

Study Pack on Advanced Management Accounting 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Drury C & Tayles M 2021, **Management and Cost Accounting (11th ed.)**, Cengage Learning, Hampshire.

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

ML 3.2: CORPORATE REPORTING & ASSURANCE (CRA)

This course unit is divided into two main sections: Corporate Reporting (70%) and Assurance (30%).

Assessment

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

- Part I (20 marks) : Consists of ten multiple-choice questions.
- Part II (50 marks) : Consists of case-based objective test questions.
- Part III (30 marks) : Consists of structured questions.

Corporate Reporting (70%)

Introduction

This is the third-course unit offered in the Financial Accounting and Finance stream and develops from the course OL2: Advanced Financial Accounting and Finance course. This course aims to provide students with an understanding of the preparation of the financial statements of a group of companies, including subsidiaries, associates, and joint arrangements. In addition, the course unit discusses the analysis and interpretation of financial statements using different techniques such as horizontal and vertical analysis. The course further extends to understanding the contemporary issues/latest developments in financial accounting.

Learning Outcomes

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

- a. Prepare the consolidated financial statements;
- b. Prepare the accounts for the associates and joint arrangements;
- c. Interpret financial statements using accounting ratios; and
- d. Explain the contemporary developments in financial accounting.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Preparation of group financial statements	35
B	Financial statement analysis and interpretation	15
C	Contemporary developments in financial accounting and reporting	20
	Total	70

The contents are required to be covered in about 63 student contact hours. The time taken to cover the 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.

Contents

A) Preparation of group financial statements (35%)

Focus	Content
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 - 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, other comprehensive income, and statement of financial position under the 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. <i>(with a maximum of two subsidiaries)</i> (SLFRS 10).
Prepare the consolidated statement of profit or loss and other comprehensive income, and statement of financial position of 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 ¹).
Present investments in associates in financial statements.	An associate and the concept of significant influence; accounting for investment in associates- equity method (LKAS 27 ²).
Present for investment in joint arrangement in financial statements.	The concept of joint control; accounting for joint operations; accounting for joint ventures-equity method (SLFRS 11 ³).

¹Sri Lanka Accounting Standard-LKAS 21 The Effects of Changes in Foreign Exchange Rates

²Sri Lanka Accounting Standard-LKAS 27 Consolidated and Separate Financial Statements

³Sri Lanka Accounting Standard-SLFRS 11 Joint Arrangements

Focus	Content
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.

B) Financial statement analysis and interpretation (15%)

Focus	Content
Explain the importance of financial statement analysis.	Overview of business analysis: accounting analysis, financial statement analysis.

C) Contemporary developments in financial accounting and reporting (20%)

Focus	Content
Discuss contemporary developments pertaining to corporate reporting.	Sustainability reporting; integrated thinking and integrated reporting; developments towards a single set of sustainability standards.
Discuss IT applications in financial accounting and reporting.	Shared ledgers and blockchain application in financial accounting and reporting.
Discuss the future of financial accounting.	Future of financial accounting; information technology, artificial intelligence (AI), internet of things (IoT), big data, digitalization and accounting/reporting; accounting and 4th industrial revolution (4IR).

Learning Aids

Mandatory reading:

Study Pack on Corporate Reporting and Assurance 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Deegan C 2020, **Financial Accounting (9th ed.)**, McGraw-Hill, Australia.

Assurance (30%)

Introduction

The Assurance section of the subject introduces and covers various kinds of assurance engagements including external audits and execution of such audits taking a financial management perspective (the internal audit function and internal controls are covered under OL 2.3: Managing Business Operations, Audit & Control). Accordingly, this subject component provides information on the definition, elements and types of assurance engagements; general principles of an audit of financial statements; audit planning, risk assessment and risk response (audit procedures), and audit evidence; and finally, elaborates on the audit report.

Learning Outcomes

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

- Define an assurance engagement and explain the elements and the types of assurance engagements;
- Discuss the general principles of an audit of financial statements;
- Apply the concepts of audit planning, risk assessment, risk response (audit procedures) and audit evidence in a financial statement audit; and
- Evaluate the circumstances of making modifications in the standard audit report.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of assurance engagements	05
B	General principles of an audit of financial statements	05
C	Audit planning, risk assessment and risk response	10
D	Audit evidence	05
E	Audit report	05
	Total	30

The contents are required to be covered in about 27 student contact hours. The time taken to cover the 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.

Contents

A) Overview of assurance engagements (5%)

Focus	Content
Define an assurance agreement.	Definition of an assurance engagement (ISAE 3000-Revised - of IAASB ⁴).
Explain the elements and types of assurance engagements.	Five elements of an assurance engagement (ISAE 3000-Revised - of IAASB); two types of assurance engagements (limited assurance and reasonable assurance with examples); other assurance engagements (in addition to the audit of the financial statements-i.e., assurance on integrated reporting and sustainability reporting).
Describe the elements of an engagement letter and the process of acceptance of an audit engagement.	Elements of an engagement letter; process of acceptance of an audit engagement [International Standards on Auditing (ISA) - ISA 210 ⁵].

B) General principles of an audit of financial statements (5%)

Focus	Content
Explain the objectives of a financial statement audit.	Overall objectives of a financial statement audit (ISA 200 ⁶).
Discuss general principles governing an audit of the financial statements.	Ethical requirements relating to an audit of the financial statements; professional skepticism; professional judgment; sufficient appropriate audit evidence and audit risk (model and components); conduct of an audit in accordance with ISAs (ISA 200).

⁴ ISAE 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information

⁵ Sri Lanka Auditing Standard-SLAUS 210 terms of audit engagements

⁶ Sri Lanka Auditing Standard-SLAUS 200 Objective and general principles governing an audit of financial statements

C) Audit planning, risk assessment and risk response (10%)

Focus	Content
Explain the concepts and the importance of audit planning.	Concept of audit planning; importance of audit planning (ISA 300 ⁷).
Discuss audit planning approaches and explain the overall audit plan and audit programs.	Approaches of audit planning (risk-based approach and substantive approach); overall audit strategy and audit program (ISA 300).
Explain the procedures for the assessment of the risk of material misstatements, and the importance of getting an understanding of the entity, environment and internal controls.	Procedures for the assessment of the risk of material misstatements; areas on which the auditor should get an understanding, and its environment; internal control system, <i>objectives, and limitations (a brief introduction as this is covered under OL 2.3)</i> (ISA 315 ⁸).
Explain the different risk responses in terms of audit procedures.	Test of controls and substantive procedures (ISA 330 ⁹).

D) Audit evidence (5%)

Focus	Content
Define audit evidence and explain sufficiency and appropriateness.	Audit evidence (sufficient and appropriate audit evidence) (ISA 500 ¹⁰).
Explain the types of audit evidence.	Types of audit evidence; inspection, observation, inquiry, confirmation, recalculation, reperformance, analytical procedures with examples (ISA 500).

E) Audit report (5%)

Focus	Content
State the elements of the standard audit report and explain the importance and rationale of those elements.	Key elements of a standard (unmodified) audit report as per ISA 700 ¹¹ (Revised) (title, addressee, auditor's opinion, basis for opinion, key audit matters, other information, responsibilities for the financial statements, the auditor's responsibilities for the audit of the financial statements, signature of the auditor, auditor's address, date of auditor's report, etc.); importance and rationale of each element.

⁷ Sri Lanka Auditing Standard-SLAUS 300 Planning an audit of financial statements

⁸ Sri Lanka Auditing Standard- SLAUS 315 Understanding the entity and its environment and assessing the risks of material misstatement

⁹ Sri Lanka Auditing Standard-SLAUS 330 The auditor's procedures in response to assessed risks

¹⁰ Sri Lanka Auditing Standard-SLAUS 500 Audit evidence

¹¹ Sri Lanka Auditing Standard-SLAUS 700 The auditor's report on financial statements

Focus	Content
Define key audit matters (KAM) and their importance in an audit report.	Definition of key audit matters as per ISA 701 ¹² ; importance of KAM; examples for KAM.
Identify and evaluate the circumstances of the modifications of the standard audit report as per ISA 700 (Revised).	Modifications that do not impact the audit opinion (emphasis of matter paragraph and other matter paragraphs - ISA 706-revised ¹³); modifications that impact the audit opinion - ISA 705-revised ¹⁴ (due to scope limitations and disagreements-qualifications, disclaimer and adverse opinions); examples for the above modifications.

Learning Aids

Mandatory reading:

Study Pack on Corporate Reporting & Assurance 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements (2020-2021 ed.), Volume I, International Auditing Standards, International Auditing and Assurance Standard Board, New York.

Arens A A, Elder R J, Beasley M S & Hogan C E 2019, **Auditing and Assurance Services, Global edition (17th ed.)**, Pearson Higher Education, UK.

¹² Sri Lanka Auditing Standard-Proposed ISA 701, Communicating Key Audit Matters in the Independent Auditor's Report

¹³ Sri Lanka Auditing Standard- Proposed ISA 706 (Revised), Emphasis of Matter Paragraphs and Other Matter Paragraphs in the independent Auditor's Report

¹⁴ Sri Lanka Auditing Standard-Proposed ISA 705 (Revised), Modifications to the Opinion in the Independent Auditor's Report

ML 3.3: DIGITAL BUSINESS & PROJECT MANAGEMENT (DBPM)

This course unit includes two main sections, Digital Business (60%) and Project Management (40%).

Assessment

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

- Part I (20 marks) : Consists of ten multiple-choice questions.
- Part II (50 marks) : Consists of case-based objective test questions.
- Part III (30 marks) : Consists of structured questions.

Digital Business (60%)

Introduction

This course is intended to equip students, who are going to be future managers, with required knowledge and skills to help them navigate their organization towards digital business, by analyzing the market in which it operates and various other environmental factors. A key feature of this course is to identify and review key management decisions and strategies required by organizations to transform into digital businesses. Students will also learn how to enhance the competitiveness of an organization by deploying innovative digital technologies throughout an organization and beyond, through links to partners and customers and promotion through digital media.

Learning Outcomes

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

- a. Explain the value of a digital business;
- b. Analyze the environment to identify the opportunities available for a digital business and the factors affecting the transformation of a present organization into a digital business;
- c. Develop suitable digital business strategies for an organization;
- d. Demonstrate the process of managing important applications of a digital business such as supply chain, marketing and customer relationships; and
- e. Determine the process of managing a digital transformation process of an organization.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of digital business	10
B	Analysis of digital business environment	10
C	Digital business strategy	10
D	Digital business applications	25
E	Managing digital transformation	05
	Total	60

The contents are required to be covered in about 54 student contact hours. The time taken to cover the 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.

Contents

A) Overview of digital business (10%)

Focus	Content
Describe the digitalization process.	Digitization; comparison between digitization and digitalization; drivers of the organizational digitalization of processes; benefits and risks of digitalization.
Explain Fourth Industrial Revolution (4IR).	4IR; technologies underpinning 4IR; three digital pillars of industry: internet of things (IoT), big data, and artificial intelligence (AI); blockchain; objectives of blockchains; how blockchains work; advantages and disadvantages of blockchains; applications of blockchains; distributed ledger.
Discuss digital business.	Impact of digital communications on traditional businesses; difference between digital business and e-commerce; digital business opportunities.
Discuss drivers and barriers to the adoption of digital business.	Barriers to the adoption of technology by digital business stakeholders; barriers to consumer digital adoption.
Discuss digital currencies and payment methods.	Cryptocurrency; applications of cryptocurrency; introduction to digital payments; different types of digital payments.

B) Analysis of digital business environment (10%)

Focus	Content
Discuss the process of online marketplace analysis and market channel structures.	Digital marketplace analysis; a process for digital marketplace analysis; location of trading in the marketplace.
Explain the new business and revenue models possible for a digital business.	Business and revenue models for e-commerce.
Explain the different elements of an organization's macro-environment that impact on an organization's digital business strategy.	Social factors; legal & ethical factors; economic factors; political factors; technology factors; cultural factors; factors affecting e-commerce buying power; privacy and trust in e-commerce; environmental and green issues related to internet usage; taxation, economic and competitive factors; technological innovation and technology assessment.

C) Digital business strategy (10%)

Focus	Content
Discuss digital business strategy.	Digital business strategy; strategic analysis; strategic objectives; strategy definition; strategy implementation.

D) Digital business applications (25%)

Focus	Content
Discuss how to restructure the supply chain in a digital business	Supply chain management; options for restructuring the supply chain; using digital business to restructure the supply chain.
Explain the drivers and barriers to adoption of e-procurement.	E-procurement; drivers of e-procurement; barriers and risks of e-procurement adoption; implementing e-procurement; the future of e-procurement.
Apply digital marketing planning process.	Digital marketing; digital marketing planning; situation analysis; objective setting; strategy; tactics; actions; control.
Discuss the process of managing customers in a digital business.	E-CRM; conversion marketing; online buying process; customer acquisition management; customer retention management; customer extension; technology solutions for CRM.

E) Managing digital transformation (5%)

Focus	Content
Discuss digital transformation.	Comparison between digitization; digitalization and digital transformation; why digital transformation matters and what drives digital transformation; framework for digital transformation.

Learning Aids

Mandatory reading:

Study Pack on Digital Business and Project Management 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Chaffey D, Hemphill T & Edmundson-Bird D 2019, **Digital Business and E-commerce Management (7th ed.)**, Pearson, United Kingdom.

Brian Armstrong B & John Lee G J 2021, **Digital Business**, Silk Route Press, South Africa.

Nambisan S & Luo Y 2022, **The Digital Multinational: Navigating the New Normal in Global Business**, The MIT Press, England.

Project Management (40%)

Introduction

The objective of this course is to equip the students with knowledge of fundamentals of project management. Project management is the application of knowledge, skills, tools, and techniques to undertake project activities to meet the objectives of the project. In this course, students will learn to create a project scope document, the stakeholder responsibility matrix, a project schedule, the risk probability/impact matrix, a communication plan and a budget. Further, they will get awareness of using project management software such as MS-Project/ProjectLibre to manage projects.

Learning Outcomes

Upon successful completion of this course unit, students will be able to:

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

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of project management	10
B	Project management process	10
C	Project management tools	20
	Total	40

The contents are required to be covered in about 36 student contact hours. The time taken to cover the 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.

Contents

A) Overview of project management (10%)

Focus	Content
Present an overview of project management.	Definition of project and project management; importance of project management.
Explain the role of the project manager.	Role of the project manager; players in the game: sponsor, champion, client, stakeholder, project team.
Explain the stages in a project life cycle.	Stages of a project life cycle: initiation, planning, execution, monitoring and controlling, and closure.
Describe the impact of triple constraints on the success of a project.	Triple constraints: scope, cost and time.

B) Project management process (10%)

Focus	Content
Describe how to initiate project and identification of stakeholders.	Project definition (charter); stakeholder analysis and development of responsibility matrix.
Evaluate the project risks following the correct procedure of project risk management.	Project risk management process: risk identification, risk assessment, risk response development, risk response control.
Describe communication planning process.	Project communication planning.
Explain how to estimate cost of a project.	Estimation: bottom-up approach, and top-down approach.
Explain how to close a project.	Project audits; project closure.

C) Project management tools (20%)

Focus	Content
Analyze projects using suitable planning and scheduling tools.	Project planning and scheduling tools; work breakdown structure (WBS); Gantt chart; network diagrams.
Apply network analysis for managing and crashing projects.	Network diagrams and critical path analysis; performance evaluation and review technique (PERT) including probabilistic calculation of project completion times.
Identify software used for project management.	MS-Project/ProjectLibre (<i>only an introduction</i>); development of a schedule for a small project by using MS-Project/ProjectLibre (<i>only activities but no resources</i>).
Evaluate the progress of projects using suitable techniques.	Project monitoring and controlling tools: status report; earned value approach.

Learning Aids

Mandatory Reading:

Study Pack on Digital Business & Project Management 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Maylor H & Turner N 2021, **Project Management (5th ed.)**, Pearson Education, Harlow.

Project Management Institute (PMI) 2021, **PMBOK Guide**, Newton Square, Pennsylvania.

ML 3.4: ADVANCED TAXATION & CORPORATE LAW (ATCL)

This course unit includes two main sections, Advanced Taxation (50%) and Corporate Law (50%).

Assessment

Advanced Taxation

The test paper, with the following composition, will be of one-and-a-half hour duration.

- Part I (10 marks) : Consists of five multiple-choice questions.
- Part II (30 marks) : Consists of case-based objective test questions.
- Part III (10 marks) : Consists of structured questions

Corporate Law

The test paper, with the following composition, will be of one-and-a-half hour duration.

- Part I (10 marks) : Consists of five multiple-choice questions.
- Part II (20 marks) : Consists of case-based objective test questions.
- Part III (20 marks) : Consists of structured questions.

Advanced Taxation (50%)

Introduction

This course unit aims to provide students with a sound understanding of taxation and to develop the skills required to advise individuals and businesses on the impact of major taxes. Accordingly, this course unit mainly focuses on corporate taxation, advanced aspect of value added tax (VAT), tax administration, tax adjudication and international taxation and transfer pricing. On successful completion of this course unit, students will be able to apply their knowledge to interpret and analyze the issues encountered by individuals and businesses and communicate with relevant parties. This course unit builds on the knowledge from OL 2.4: Taxation delivered at the Operation Level.

Learning Outcomes

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

- a. Advise applicability of income tax law on corporate entities;
- b. Advise on VAT implications for businesses;
- c. Analyze the impact of provisions in double taxation treaties and identify arm's length; price with appropriate transfer pricing methods to transact between associate persons; and
- d. Evaluate enforcement issues of taxpayers and current issues in tax administration and recommend appropriate action to mitigate compliance risk.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Taxation of corporate entities	20
B	Value added tax	10
C	Tax administration	10
D	Transfer pricing and international taxation	10
	Total	50

The contents are required to be covered in about 45 student contact hours. The time taken to cover the 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.

Contents

A) Taxation of corporate entities (20%)

Focus	Content
Identify the type of companies.	Resident companies; non-resident companies; public corporations and their business activities and tax liability.
Identify the gains and profits of companies.	Income from business and investment: dividends, bonus shares, reduction of capital, share by back and gain on the realization of an investment asset (use the relevant case law).
Identify the tax concessions available for companies.	Tax concessions available for companies.
Identify the tax rates applicable for companies.	Different tax rates applicable for companies based on the category of the company and the nature of the business.
Compute the assessable income of the company.	Assessable income of a company from business and investment.
Compute the taxable income and the tax payable by the company.	Adjustments for qualifying payments; computation of the taxable income; applying tax rates; adjusting tax credits; balance the tax payable.
Compute tax liability of unit trust and mutual fund.	Unit trust and mutual fund; governing law of unit trust and mutual fund; rationale behind unit trust and mutual funds to be considered as a company for income tax; income, expenses, tax rate, and tax payable by the unit trust or mutual funds.
Discuss the income tax liability of the banking and finance business.	Activities of banking business; timing of inclusion and deduction; special provisions for bad debts; tax effect of exchange difference.
Discuss the income tax liability of the insurance business.	Gains and profits from the life and general insurance businesses; loss adjustment; basis of computing profit from the insurance businesses excluding the insurance business of non-residents.
Discuss the income tax liability of the petroleum business.	Profit from the petroleum business; the tax payable by the petroleum business.

B) Value added tax (VAT) (10%)

Focus	Content
Identify the type of supplies and VAT rates.	VAT liable supply; zero rated supply; exempted supply; excluded supply; suspended supply; standard and special VAT rates.
Compute the VAT Payable.	Output tax; input tax; disallowable input tax and brought forward input tax; limitation to claim input VAT; VAT payable; adjustments for bad debts; tax credit note and debit note.
Identify the record-keeping requirement.	Accounting basis for VAT; VAT control account; register of imports and input/output VAT schedule for local purchase; tax invoice & CUSDEC.
Discuss filling of the VAT returns and the payment of VAT.	Persons are liable for filling the VAT returns; due date for filling returns and making payments; implication on failure to file the return; tax in default; penalty for non-submission of return and tax in default; information called by the Assistant Commissioner and the Commissioner; penalty for the incorrect return and the VAT refunds.
Discuss VAT assessment, appeal and recovery.	Assessment of VAT; power of making the assessment; additional assessment; basis for not accepting the return; time limit for the assessment; appeal against the assessment, valid appeal, the time limit for the appeal; appeal to the Commissioner General of Inland Revenue; appeal to Tax Appeals Commission (TAC); appeal to the Court of Appeal; finality of an assessment; notice to the defaulter; objection to tax in default; time limit of recovery; different means of recovery of tax in default.
Discuss the SVAT scheme.	Registered identified supplier (RIS) and registered identified purchaser (RIP); suspended purchase and supply; condition applying to RIP status; settlement of SVAT.
Explain the VAT on financial services (VAT on FS)	Supply of financial services; value addition and VAT payable on financial services.
Explain the tourist VAT refund scheme (TVRS).	Eligibility for a refund; conditions applying for the tourist VAT refund scheme; places for the purchase of goods, and location to claim the refund.

C) Tax administration (10%)

Focus	Content
Interpretation of statutes.	Tax adjudicating authority; adjudication process; rules for the interpretation of statutes.
Discuss the payment compliance.	Withholding by employers; withholding from investment returns; withholding from service fees and contract payments; withholding certificates; final withholding payments; credit for the non-final withholding tax; payment of tax in quarterly installments under statement of estimated tax (SET) and final income tax payment; capital gain tax on assessment; self-assessment tax; payment of tax by partnership and trust.
Discuss the return compliance.	Necessity of filing a return on income; the due date; incomplete return and the consequences of not furnishing a return of income; verification of return; an extension of time to file returns; AIT return; filing of APIT return by the employer and their obligation; SETP; information return; right to information; structure of the income tax return; condition applicable in filing the statement of the estimated tax payable and due date; a situation that a statement of the estimated tax payable is not required to file.
Discuss the penalty for non-compliance.	Penalties charged for non-payment; interest on delay in payment of taxes; negligence or fraudulent under payments; penalties for non-submission of return; late filing; false or misleading statements; failure to maintain documents.
Discuss the types of assessment, objection and appeal procedures.	Self-assessment; default assessment; advanced assessment; reason for the advanced assessment; amended or additional assessment; situations where amended or additional assessments issued by Assistant Commissioner; objection and appeal; stages of appeal settlement/determination; burden of proof, finality of an assessment; conditions in making a valid appeal; time bar for appeal; process of administrative review; late request for an administrative review; objection in the absence of a return; administrative review proceeding; situation for appealing to the Tax Appeal Commission; late appeal to the Tax Appeal Commission; decision of the Tax Appeal Commission; appealing to the court of appeals.

D) Transfer pricing and international taxation (10%)

Focus	Content
Discuss the statutory provision applicable for transfer pricing.	Transfer pricing requirement under Sec. 76 & 77 of IR Act & Gazette No. 2217/7 dated 02.03.2021; transfer pricing audit procedure.
Explain elements of transfer pricing.	Associate enterprise; control and uncontrolled transactions; arms-length basis; international and domestic transactions.
Discuss the pricing methods.	Comparable uncontrolled price method; resale price method; cost plus method; transactional net margin method; profit split method; arm's length range; comparability factors.
Explain transfer pricing documentation.	Transfer pricing documentation; submission of transfer pricing documentation; filing obligation; country-by-country report; time of filing; corresponding adjustments for domestic transactions.
Discuss the relief from double taxation.	Foreign tax credit; limitations of the claim of the tax credit; OECD and United Nations Model Double Taxation Convention.
Explain the residence and sources.	Resident persons; change of residence; a source directly to be included and amounts to be deducted.
Discuss the source of payments.	Source of payments; source of income and quarantining of foreign losses; a source directly to be included and amounts to be deducted; foreign source.

Learning Aids

Mandatory reading:

Study Pack on Advanced Taxation and Corporate Law 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Inland Revenue Act No. 24 of 1977 and amendments thereto.

Balarathnam S 2018, **Income Tax in Sri Lanka (6th ed.)**, Tax Publications Ltd, Colombo.

CA Sri Lanka Guide to Income Tax Law, Institute of Chartered Accountants of Sri Lanka, Colombo.

Report on Sri Lanka Tax Cases Volume 1, 2, 3 & 4.

Corporate Law (50%)

Introduction

This Managerial Level course unit provides students with substantive knowledge of the core principles of corporate law. It gives special attention to Companies Act No. 07 of 2007 to enable students to reflect on how companies can be directed in the best interests of the different stakeholders within and outside the company whilst enriching them with a thorough understanding of the securities regime in Sri Lanka. The corporate law segment includes knowledge of the concept of corporation and nature of incorporation, legal aspects of corporate finance, management and winding-up aspects of companies. Further, the acquired knowledge of law of contracts, law of delict and law of agency in business law is a prerequisite and an added advantage to following this course.

Learning Outcomes

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

- Recognize the concept of corporation and process of incorporation with reference to the companies act no 07 of 2007;
- Explain the legal attributes of corporate finance and shareholding with special reference to corporate ownership;
- Discuss the role and the legal provisions of officials of the company pertaining to corporate administration, management, and regulation;
- Discuss the securities regime in Sri Lanka; and
- Apply company law principles in different situations.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Concept of corporation and nature of incorporation	10
B	Corporate finance and shareholders	10
C	Directors, secretaries and auditors	10
D	Meetings, resolutions, and company records	10
E	Winding-up	05
F	Securities regime in Sri Lanka	05
	Total	50

The contents are required to be covered in about 45 student contact hours. The time taken to cover the 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.

Contents

A) Concept of corporation and nature of incorporation (10%)

Focus	Content
Explain the concept of corporation.	Nature and characteristics of legal personality; creation of legal persons; difference between natural persons and legal persons.
Identify the incorporation procedure.	Types of companies; required documents for incorporation; naming a company; articles of association; promoters and pre-incorporation contracts; electronic registration of companies.
Explain different types of companies.	Limited liability companies; unlimited companies; companies limited by guarantee; offshore and overseas companies; Foreign Exchange Act No. 12 of 2017; Land (Restriction on Alienation) Act No. 38 of 2014.
Explain nature, purpose, and legal consequences of articles of association.	Content of articles; object clause and demise of the doctrine of ultra-vires and effect of articles, and alteration of articles.
Explain the consequences of incorporation.	Saloman principle; separate legal personality; limited liability; perpetual succession; company contracts; the veil of incorporation and lifting the veil of incorporation.

B) Corporate finance and shareholders (10%)

Focus	Content
Identify sources of corporate finance.	Equity and debt financing; capital structure of companies; types of shares; debentures; nature of shares; and rights.
Explain the concept of stated capital.	Application for shares; allotment of shares; restrictions on share allotment; issue of shares; call on shares; terms of issue.
Apply the solvency test to assess the creditworthiness of the company.	Components of solvency test; directors' duties insolvency.
Describe capital maintenance.	Distribution; dividends; reduction of stated capital; share repurchase; the redemption of shares.

Focus	Content
Define a shareholder.	Share transfer; share transmission.
Explain shareholder rights and liabilities.	Right to vote; right to dividend; right to surplus assets; limited liability of the shareholder; principle relating to the majority rule; major transactions and rectification of share register.
Explain shareholder remedies.	Oppression and mismanagement; restraining orders; derivative actions; minority buy-out right.

C) Directors, secretaries and auditors (10%)

Focus	Content
Identify the qualifications, appointment, and rights of directors.	Qualifications; appointment; types of directors; division of powers.
Describe management in the environmental context.	The context of management: external vs. internal; organization; management process—planning; organizing; leading and controlling; managerial skills and managerial roles.
Identify the role and attributes of the company secretary with special reference to Panorama Case.	Qualifications and role of the company secretary; process of appointment of the company secretary; duties and obligations of the company secretary.
Explain the appointment of company secretary with relevant qualifications.	Qualifications and role of the company secretary; process of appointment of the company secretary; duties and obligations of the company secretary; responsibility of the company secretary under the Land (Restriction on Alienation) Act No. 38 of 2014.
Identify the role and position of the company auditor along with the respective rights and duties.	Qualifications and role of the company auditor; the process of appointment of the company auditor; duties and obligations of the company auditor.
Explain the appointment of auditor with relevant qualifications.	Qualifications and role of the company auditor; process of appointment of the company auditor; duties and obligations of the company auditor.

D) Meetings, resolutions, and company records (10%)

Focus	Content
Explain different types of meetings, purposes and notice periods.	Different types of meetings; purposes and notice periods.
Prepare notices for shareholders meetings.	Notice for the shareholder's meetings: annual general meeting and extra-ordinary general meeting.
Explain the different types of resolutions that could be passed by the members of a company and the notice periods.	Types of resolutions that could be passed by the members of a company and the notice periods.
Prepare different types of resolutions.	Types of resolutions such as appointment and reappointment of directors and declaration of dividends.
Discuss the importance of registered office and registers to be kept.	Registered office and registers to be kept.

E) Winding-up (05%)

Focus	Content
Identify compulsory and voluntary winding-up and relevant consequences.	Compulsory and voluntary winding-up and relevant consequences.
Explain the process of winding-up.	Process of winding-up.
Recognize the functions of the officials involved in winding-up.	Functions of the administrator/liquidator and the receiver in winding-up.
Discuss non-terminal company arrangement.	Non-terminal company arrangement (merges and amalgamations).

F) Securities regime in Sri Lanka (05%)

Focus	Content
Explain Securities Exchange Commission, Colombo Stock Exchange, Central Depository System in Sri Lanka.	Securities Exchange Commission (SEC), Colombo Stock Exchange (CSE), Central Depository System in Sri Lanka (CDS).
Explain the process of listing a company on the Colombo Stock Exchange.	Stakeholders of listing; listing process; continuing obligations.
Discuss insider dealing.	Implications of price ceiling in CSE.

Learning Aids

Mandatory reading:

Study Pack in Advanced Taxation and Corporate Law 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Wickramanayake A 2007, **Company Law in Sri Lanka**, Arittha R Wickramanayake, Colombo.

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

ML 3.5: ADVANCED PROFESSIONAL COMMUNICATION (APC)

This course unit includes two main sections, Speech Craft Program (70%) and Report Writing module (30%).

Speech Craft Program (70%)

Candidates are required to complete the Speech Craft Program successfully before enrolling in the Strategic Level. It also lays the foundation for future Continuing Professional Development (CPD) required to be fulfilled by CMA members.

Introduction

In addition to the knowledge and technical skills acquired in the study program, the students need to be equipped with soft and life skills that lead to the development of a holistic professional. The purpose of this program is to address the gap that exists between the desired and existing attributes among potential finance 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 leadership and soft skills.

Program structure

This program consists of 36 hours of interactive practical sessions (workshops) that will be conducted with the guidance and support of experts in different spheres.

The themes covered in this program are as follows:

Module	Theme
One	Overcoming fear of public speaking
	Meeting procedure, role play, and leadership attributes
	Structuring a speech effectively
	Effective use of body language adding value to speech
	Effective use of body language adding value to speech
	Effective use of humor
	Language, grammar, pronunciation
	Effective use of PowerPoint in presentation
	Impromptu speech-making / free association
	Time management and teamwork
	Positive thinking and fast-tracking career path growth
Two	Elegance in societal behavior
	Teamwork
	Effective time management
	Effective personnel grooming and confidence building
	Positive thinking and career planning

Assessment

A scheme of continuous assessment will be carried out during the program. The students who complete this program successfully with 80% attendance will be received the certificate of the Speech Craft Program.

Report Writing (30%)

Introduction

Accountants are said to spend approximately one third of their time writing. They are expected to document processes, clarify issues, and propose actions for internal as well as external audiences. Thus, the perceptions of competency in the field of accountancy are often tied to effective writing. Accountants with stronger written communication skills than their peers are guaranteed faster career advancement and higher performance evaluations. Therefore, it is beneficial for accounting students to build a strong writing foundation to meet the expectations of business writing in their future careers. This section of the course in Advanced Professional Communication aims to equip the participants with effective report-writing skills that can be used to compile a variety of reports including cost, asset, sales, and revenue reports.

Learning Outcomes

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

- a. Identify the structure and style of a business report;
- b. Plan, organize, and write a business report by clearly stating the purpose and assessing the reader's requirements;
- c. Evaluate strategies for conveying required information effectively using textual and visual means; and
- d. Revise the document in keeping with standard principles of structure, mechanics, and style.

Assessment

Candidates will be assessed on one independent continuous assessment to be managed by the CMA. It will be a written assignment focusing on writing a business report in response to a given prompt. Students will be awarded either a pass or fail grade in this course unit.

Contents

Report writing

Focus	Content
Plan the business report.	Determine the purpose of the report; analyze the audience; evaluate the main message; devise how to structure the main message.
Structure the report.	Draft a cover letter or a memorandum; organize different sections of the report.
Write the report.	Use effective headings and subheadings; structure paragraphs appropriately; use clear and professional language; use footnotes, tables, figures, and appendices appropriately.
Edit and revise the report.	Edit and revise for structure; edit and revise for mechanics; edit and revise for style.

Learning Aids

Mandatory reading:

Study Pack on Report Writing 2023, Certified Management Accountants of Sri Lanka, Colombo.

ML 3.6: DATA ANALYTICS (DA)

Introduction

This is a Skill Level course unit that includes tools used for data analysis. The course imparts knowledge and skills pertaining to data analysis using spreadsheets. The content in this area covers the tools necessary for analyzing datasets and performing a sensitivity analysis. It is intended for the student to gain knowledge and skills on most of the tools available in spreadsheet software for data analysis purposes. With laboratory work accompanied by self-study, the course unit will serve as a precursor to other IT related course units, i.e., SL 4.6: Digital Tools for Accountants and SL 4.7: Advanced Data Analytics. This course unit assumes familiarity of students with practical aspects of using spreadsheet software.

Learning Outcomes

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

- Apply sensitivity analysis to problems in finding feasible values;
- Analyze datasets with tools available in spreadsheet software;
- Compute the optimum values of input for getting the expected output; and
- Develop models and perform extended analysis on datasets.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Sensitivity analysis	20
B	Analyzing datasets	30
C	Input optimization	15
D	Data analysis and modeling	35
	Total	100

The contents are intended to be covered in about 30 student contact hours. However, depending on the practical circumstances the allocated time could vary. The time taken to cover the 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 given above.

Assessment

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

Part I (30 marks) : Consists of fifteen multiple-choice questions (30 minutes).

Part II (70 marks) : Consists of practical questions (2.5 hours).

The practical question will assess students' skills in using computer software in the areas covered in the course unit. Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Sensitivity analysis (20%)

Focus	Content
Demonstrate skills in performing sensitivity analysis using goal seek.	Using goal seek: sensitivity analysis to find feasible values of loan payments or investment plan-related values.
Demonstrate skills in performing sensitivity analysis using data table.	Using data table to project and compare interest rates and loan or investment plans.
Demonstrate skills in using scenario manager.	Creating scenarios for different variable values associated with functions; generating summary reports on all scenarios.

B) Analysis datasets (30%)

Focus	Content
Demonstrate skills in using pivot tables.	Using pivot tables to analyze large data sets; using filters and slicer tool.
Demonstrate skills in using pivot charts for visualizing and analyzing large data sets.	Using pivot charts to visualize and analyze large data sets.
Demonstrate the use of subtotal feature.	Using subtotal feature to use the aggregated values based on criteria.

C) Input optimization (15%)

Focus	Content
Demonstrate the use of solver.	Using solver to maximize or minimize certain factors in production (or any other) environment in combination with different inputs values.

D) Data analysis and modeling (35%)

Focus	Content
Demonstrate the use of Power Pivot.	Modeling data in Power Pivot environment; creating measures and calculated columns with Data Analysis Expressions functions; using Power Pivot along with Microsoft Excel to analyze data from a variety of sources; visualizing Power Pivot data using reports with charts, tables, and slicers.
Develop spreadsheet models for financial accounting purposes.	Developing loan amortization models, calculating depreciation and developing charts for business analysis; financial forecasting; financial statement preparation; performing ratio analysis.
Develop spreadsheet models for statistical purposes.	Using frequencies and creating descriptive statistics (measures of central tendency and dispersion); performing correlation and regression analysis.

Learning Aids

Mandatory reading:

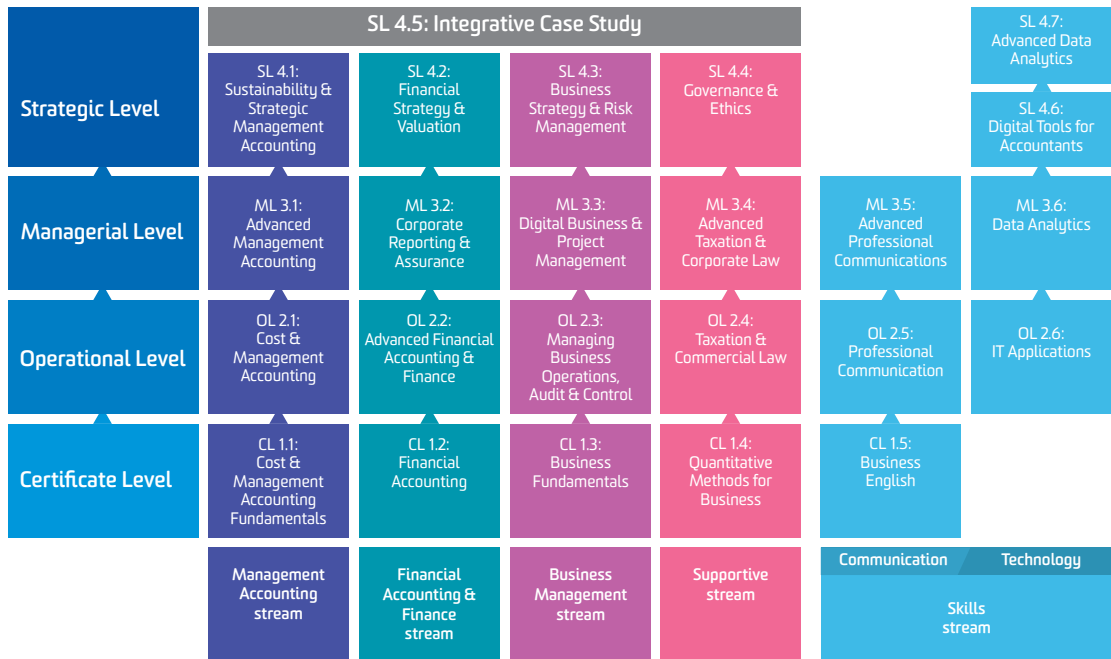
Study Pack on Data Analytics 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Website of Microsoft Help on Office Applications.

CMA Professional Program 2023-2027

STRATEGIC LEVEL



Level 4 – STRATEGIC

Core

- SL 4.1: Sustainability & Strategic Management Accounting
- SL 4.2: Financial Strategy & Valuation
- SL 4.3: Business Strategy & Risk Management
- SL 4.4: Governance & Ethics
- SL 4.5: Integrative Case Study

Skill

- SL 4.6: Digital Tools for Accountants
- SL 4.7: Advanced Data Analytics

SL 4.1: SUSTAINABILITY & STRATEGIC MANAGEMENT ACCOUNTING (SSMA)

Introduction

A central function of management accounting is the provision of requisite information to support the achievement of the organization's business strategies and sustainability. Knowledge of various facets of a sustainability and strategic management accounting system that support the organizational strategy is vital for any management accountant to create value. The aim of this Strategic Level course unit is to equip students with sustainability and strategic management accounting systems in management accounting for gaining sustainable strategic advantage for organizations. While discussing the evolving role of management accounting and 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 towards value creation.

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 the changes and strategic issues in management accounting;
- Evaluate management accounting for corporate sustainability; 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 (%)
A	Strategic management accounting systems	25
B	Strategic considerations in management accounting and strategic performance management	20
C	Corporate sustainability accounting	20
D	Strategic corporate sustainability integration	20
E	Contemporary issues in strategic management accounting	15
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Part I (40 marks) : Compulsory question.

Part II (60 marks) : Essay questions.

Contents

A) Strategic management accounting systems (25%)

Focus	Content
Discuss the concept of value and value creation.	Value; value creation; role of accountants in value creation.
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; link between strategic management and financial management and SMA; 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).
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 strategic profit management in upstream and downstream value chains.	Supplier management; customer relationship management; management accounting systems in the value-chain framework.
Evaluate the use of competitor analysis as a part of SMA.	Competitor analysis/ competitor accounting: steps, ingredients and sources of information; problems with competitor accounting; contingency view of competitor accounting.
Evaluate the operating aspects of an SMA system.	Critical success factors; introducing and operating an SMA system; SMA as a decision support system.

B) Strategic considerations in management accounting and strategic performance management (20%)

Focus	Content
Advise on strategic revenue management and pricing.	Discounts and pricing waterfall; pricing policies and strategies; revenue management in product life cycle through pricing strategically; strategic considerations of 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 using balanced scorecard (BSC) as a strategic performance measurement system.	Use of financial and non-financial measures in strategy implementation and BSC; implementing a BSC project; aligning BSC to strategy; features of an effective BSC; limitations in adopting BSC as a strategic performance measurement system.
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; arm's length principle).
Discuss the evolving role of the management accountant in strategic management and strategic performance management.	Present(traditional)roleplayedbymanagementaccountants; evolving role of the management accountant in strategic management and strategic performance management (new knowledge and skills required); key challenges faced by management accountants in performance management.

C) Corporate sustainability accounting (20%)

Focus	Content
Evaluate new developments in management accounting in relation to sustainability.	Planetary boundaries; sustainable development (including United Nations Sustainable Development Goals-SDGs); corporate sustainability management and corporate greening strategies; drivers of corporate sustainability; triple bottom line accounting; circular economy and circular economy related business models; business case for sustainability.
Evaluate environmental management accounting (EMA).	Definitions of environmental accounting and environmental management accounting (EMA); physical and monetary EMA systems; EMA scope and dimensions [including the 'Integrated EMA framework' of Burritt et al (2002)]; benefits of EMA adoption.
Discuss various environmental cost categorization methods.	Different environmental cost categorization methods (a brief overview of Environmental Protection Agency (EPA) and IFAC environmental cost categories).
Apply various EMA techniques.	EMA techniques: accounting for energy, water footprint accounting, waste accounting including the importance of waste management hierarchy, carbon management accounting, material flow cost accounting (MFCA), corporate climate change accounting; life cycle accounting; roadblocks and challenges to implement EMA.
Discuss the social dimension of sustainability.	Dimensions of social sustainability, challenges in accounting for social sustainability, social audit; social return on investment (SROI).

D) Strategic corporate sustainability integration (20%)

Focus	Content
Evaluate the integration of sustainability into management accounting and performance measurement.	Different ways of integrating sustainability into corporate management and performance measurement [using sustainability balanced scorecard - SBSC]; role of a management accountant in strategic sustainability; sustainability in the value chain (sustainable supply chain management).
Discuss various reporting frameworks available for sustainability and corporate reporting.	Sustainability reporting based on Global Reporting Initiative (GRI) Guidelines; integrated reporting.
Evaluate the importance of sustainability assurance and assurance standards.	Sustainability assurance; AA1000 Assurance Standard & ISAE3000; other assurance and certification standards (e.g., environmental management standards such as ISO 14000).
Discuss sustainability in relation to risk management and competitive advantage.	Sustainability as a part of risk management; sustainability integration for competitive advantage.
Evaluate the Sri Lankan perspectives on sustainability management accounting (SMA).	Sri Lankan SMA practices; common challenges for SMA implementation; role of professional accounting bodies in supporting/ promoting SMA.
Discuss the role of accountants in sustainability management and reporting.	Role of finance professionals as information generators and users in sustainability management and reporting, and integrated reporting; a financial professional's role in managing the future of natural resources.

E) Contemporary issues in strategic 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; transformation from cost accounting to management accounting to strategic management accounting.
Evaluate the impact of digitalization on management accounting and finance functions.	Use of big data, data analytics and artificial intelligence for strategic advantage; digital business models; digitalization of management accounting and reporting.
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 performance management in the public sector.	Need for cost and management accounting in the public sector; key challenges in the public sector performance management.

Learning Aids

Mandatory reading:

Study Pack on Sustainability & Strategic Management Accounting 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Hogue Z 2006, **Strategic Management Accounting**, Pearson Education. (ZH), Australia.

Gunarathne A D N, Ranasinghe A B & Peiris S 2014, **Guidelines on Environmental Management Accounting for Sri Lankan Enterprises**, CMA, Colombo.

SL 4.2: FINANCIAL STRATEGY & VALUATION (FSV)

Introduction

Financial strategy is a vital component of the overall business strategy of a corporation. This Strategic Level course extends the students' knowledge gathered from OL 2.2: Advanced Financial Accounting & Finance mainly and capital budgeting decisions covered in the management accounting stream additionally by discussing the key elements of the financial strategy of a business, critically assessing the corporate finance issues from both financial and strategic management perspectives. Further, this course discusses the main areas of corporate finance in both domestic and international contexts, including mergers, acquisitions, and business valuation, enabling the student to develop a financial strategy for a corporation and make recommendations.

Learning Outcomes

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

- Discuss the importance of the financial strategy in the success of a business;
- Critically assess the long-term financing options for an organization;
- Evaluate mergers, acquisitions and business valuation decisions; and
- Discuss issues in international corporate finance.

Syllabus Structure

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

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

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

- Part I (40 marks) : Compulsory question.
Part II (60 marks) : Essay questions.

Contents

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

Focus	Content
Evaluate the role of financial strategy and policy formulation in an 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 small and medium sized enterprises (SMEs) with especial relevance to Sri Lanka.	Financial management of SMEs (available sources and restrictions, going public); venture capital; angel financing; crowd funding.
Discuss bond valuation.	Valuation of bonds and five theorems of bond pricing; duration of bonds; Sri Lanka bond market.
Discuss share valuation.	Valuation of ordinary shares: dividend discount models (single period holding, multiple period holding, constant dividend growth, multiple dividend growth); price multiples (P/E, P/B); valuation of preference shares.

C) Cost of capital and long-term financial strategy (30%)

Focus	Content
Discuss cost of capital.	Components of cost of capital; required return versus cost of capital; financial policy and cost of capital.
Evaluate the 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.
Discuss the capital structure theories.	The optimal capital structure and the cost of capital; Modigliani and Miller (M&M) propositions; bankruptcy costs; pecking order theory.
Discuss the composition of the capital structure.	Overview of the capital structure and the financial structure.
Discuss the effects of financial leverage.	Operating leverage; financial leverage and combined leverage; impact of excessive financial risk on firms.
Evaluate the 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; Sri Lankan experiences.

D) Mergers, acquisitions and business valuation (25%)

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 the sources of synergy from acquisitions	Revenue enhancement; cost reduction; tax gains; cost of capital.
Evaluate mergers and acquisition decisions..	Value of a firm after acquisition; determination of the net present value of a merger.

Focus	Content
Evaluate the defensive tactics against acquisition.	Divestiture; corporate charter; exclusionary self-tenders; leveraged buyouts; golden parachute; crown jewels; poison pills.
Apply different approaches to business valuation.	Price multiples; discounted cash flow method, economic profit method, adjusted present value method: Sri Lankan experience.

E) International corporate finance (20%)

Focus	Content
Discuss international corporate finance.	Introduction to international corporate finance; objective of a firm; agency problem.
Discuss exchange rate determination.	Foreign exchange markets and exchange rates; spot rates and forward foreign exchange rates; cross rates; international parity conditions.
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, cost of capital.

Learning Aids

Mandatory reading:

Study Pack on Financial Strategy & Valuation 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Jordan B D, Ross S A, Westerfield R W & Jaffe J 2021, **Corporate Finance (13th)**, McGraw-Hill, NY.

Koller T, Goedhart M & Wessels D 2020, Valuation: **Measuring and Managing the Value of Companies**, John Wiley & Sons, Australia.

Shapiro AC & Hanouna P 2019, **Multinational Financial Management**, John Wiley & Sons, Australia.

SL 4.3: BUSINESS STRATEGY & RISK MANAGEMENT (BSRM)

This course unit includes two main sections, Business Strategy (70%) and Risk Management (30%).

Assessment

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

Part I (40 marks) : Compulsory question.

Part II (60 marks) : Essay questions.

Business Strategy (70%)

Introduction

Strategists are extraordinary people in organizations who make the most effective long-term strategic decisions to ensure organizational success sustainably while understanding the complex and dynamic business context. This course emphasizes the importance of strategic capabilities of the strategic leadership to select and make holistic and long-term strategic inquiry of the organizations through identifying the driving forces of competitive markets with emphasis on the complexity of scarce resource allocation under uncertainty. This course addresses the need to develop firm-specific strong strategic capabilities that are flexible and responsive to changing situations created and enforced by macro and micro-level environmental factors and forces.

Learning Outcomes

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

- Evaluate the importance of strategic management for organizational success;
- Critically analyze corporate level and business level strategies;
- Evaluate the key ingredients for successful implementation of strategies;
- Recommend strategic control systems and the desirable attributes of strategic performance measures and techniques; and
- Advice, evaluate and recommend aspects covered pertaining to business strategy in organizational scenarios.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of strategic management	15
B	Strategic analysis	15
C	Setting the strategic direction of an organization	10
D	Strategic formulation and selection	10
E	Strategic implementation	10
F	Strategic review and control	10
	Total	70

The contents are required to be covered in about 63 student contact hours. The time taken to cover the 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.

Contents

A) Overview of strategic management (15%)

Focus	Content
Distinguish different dimensions of the strategy.	Strategies and organizations; strategy as a broad and long-term direction of an organization; multiple dimensions of the strategy: strategy as plan, position, perspective, pattern and ploy; emergent and deliberate strategies.
Compare and contrast business policy, strategic planning and strategic management.	Business policy; formal strategic planning; strategic management as an ongoing process.
Evaluate the role of strategic management as an organizational function.	Tasks of strategic management: strategic analysis, strategy formulation, strategy implementation, strategic review and control.
Discuss the contribution of different strategic schools.	Design school; planning school; positioning school; entrepreneurial school; cognitive school; learning school; power school; environmental school; cultural school; configuration school.
Justify the importance of strategic thinking instead of traditional strategic planning.	Industry foresight; role of creativity and innovation in strategy formulation; strategic intent versus strategic fit.

B) Strategic analysis (15%)

Focus	Content
Analyze the internal environment of an organization.	Nature of business environment; resource based-view of an organization; strategic audit; value chain analysis; internal resources and competencies; strategic capability of an organization.
Critically evaluate the external environment and its impact on an organization.	Organization as an open system; macro external environment (PESTEL factors); global and local implications for organizational strategy; industry and competitor analysis (Porter's five forces model); key success factors; strategic group analysis, SWOT analysis.
Analyze the power and importance of stakeholders and the importance of CSR in the process of strategy.	Identifying and mapping stakeholders; balancing stakeholders' expectations; impact of corporate governance in strategy making and implementation; importance of CSR in the process of strategy; different levels of CSR; sustainability and strategy.

C) Setting the strategic direction of an organization (10%)

Focus	Content
Illustrate the long-term vision for an organization.	Organizational philosophy; core ideology; core purpose and co-values; envisioned future: goals and vivid description.
Compare and contrast the long term vision of different organizations.	Critical inquiry on performance of organizations with a long-term vision.
Prepare a strategic plan/corporate plan for a selected organization.	Vision; mission; core values; goals; objectives and targets; action plans; projects and programs; budgets; operating procedures; KPIs and control plans.

D) Strategic formulation and selection (10%)

Focus	Content
Evaluate corporate-level and business-level strategic options.	Corporate level strategies: organic or internal growth vs. external growth via. mergers and acquisitions; strategic alliances; vertical integration strategies; unbundling and outsourcing strategies; offensive vs. defensive strategies; strategies for competing in global markets; business models and strategies in the digitalization era, innovation as a strategy, sustainability, and strategy; business level strategies: Porter's generic strategies and later refinements; cost leadership; differentiation; focusing strategies; hybrid strategies; Bawman's strategic clock.
Evaluate the different strategic models for selecting the best strategies.	Benchmarking; value chain analysis; Ansoff's product-market matrix; portfolio analysis: BCG matrix, GE business screen; shell directional policy matrix.
Evaluate the relationship between strategy and the product life cycle.	Product life cycle and strategy; strategy and competitive advantage in diversified companies.

E) Strategic implementation (10%)

Focus	Content
Evaluate McKinsey's framework as a means of strategy implementation.	SAF (suitability, acceptability, feasibility); McKinsey's 7s framework for strategy implementation; strategic leadership; organizational structure and strategy; organizational culture strategic implementation.

Focus	Content
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 and efficient internal systems and processes (budgets, supportive policies and procedures, support systems, supportive reward systems and initiating best practices) for strategy execution; business process re-engineering (BPR); strategic implications of IT.
Evaluate the role of change management in strategic implementation.	Managing organizational change in implementing strategic change.

F) Strategic review and control (10%)

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 the strategy, using digital controlling tools.
Evaluate the limitations of traditional financial controls.	Traditional financial/budgetary controls and their limitations; desirable features of strategic performance measures.
Apply balanced scorecard (BSC) as a control technique.	BSC as a more sophisticated strategic control technique.
Discuss the role of contingency planning in strategic control and review.	Contingency planning in strategic control and review.

Learning Aids

Mandatory reading:

Study Pack on Business Strategy and Risk Management 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Johnson G, Whittington R, Scholes K, Angwin D & RegnŽr P 2019, **Exploring Strategy Text & Cases (12th ed.)**, Pearson higher ed.

Thompson A A, Strickland A J, Gamble J E & Jain A K 2021, **Crafting and Executing Strategy (23rd ed.)**, Tata McGraw Hill. New Delhi.

Hill C, & Schilling M 2023, **Strategic Management: Theory & Cases: An Integrated Approach (14th ed.)**, Cengage Learning, Stamford.

Risk Management (30%)

Introduction

Risk management component of this course aims at providing a comprehensive understanding of 'Enterprise Risk Management (ERM)' using both ISO 31000 Risk Management Guidelines and COSO ERM Framework. This course has been designed to explain risk management principles and processes and apply them in real-life business scenarios. In addition, the course provides a deep dive into the interaction between strategy and risk management enabling students to draw a parallel with strategic management approaches/frameworks used in the other courses and thereby to provide a holistic perspective as to risk management.

Learning Outcomes

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

- a. Demonstrate key principles and process elements of ERM;
- b. Evaluate financial and non-financial information in a given business scenario and prioritize key risks that should be managed within risk appetite;
- c. Analyze risks in a digital business world including disruptive technologies and cyber risks; and
- d. Evaluate risks associated with strategy formulation using appropriate frameworks.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Enterprise risk management (ERM)	15
B	Risk and strategy	15
	Total	30

The contents are required to be covered in about 27 student contact hours. The time taken to cover the 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.

Contents

A) Enterprise risk management (ERM) (15%)

Focus	Content
Explain the definition of risk covering both sources of risks and types of risks).	Definition of risks; upside and downside risks (from both internal and external sources); different risk classification frameworks (taxonomy) such as strategic and operational risks, preventable risks.
Recognize the importance of ERM in a world characterized by volatility, uncertainty, complexity, and ambiguity (VUCA).	Definition of ERM (using both ISO 31000 & COSO Framework); business case for an enterprise-wide approach to risk management (including setting objectives, formulating strategies, and managing performance).
Demonstrates key principles and process elements of ERM.	ERM principles and process elements (both ISO 31000 and COSO Framework).
Evaluate financial and non-financial information in a given business scenario and prioritize key risks that should be managed within risk appetite.	Quantification of risks in terms of impact and likelihood; key risk indicators; risk heat maps.
Demonstrates the roles and responsibilities relating to ERM including the Board's responsibility for risk governance.	Three-line model in structuring risk management roles and responsibilities; role of Chief Risk Officer; risk governance role of the board; risk assurance by an internal auditor.

B) Risk and strategy (15%)

Focus	Content
Discuss the concept of 'risk appetite' and its importance in formulating strategy.	Board risk appetite (acting as a strategic balancing act and influencing strategic choice and implementation of strategy); different types of strategic risks and approaches to managing strategic risks.
Evaluate risks associated with strategy formulation using appropriate frameworks.	Sources of strategic risks; risks associated with different strategies; frameworks that could be used in analyzing strategic risks (SWOT, five forces analysis, PESTEL and other similar models).
Analyze risks in a digital business world including disruptive technologies and cyber risks.	Risks associated with the developments in 4th industrial revolution; types of cyber risks; cyber risk mitigation; data analytics in risk management.

Learning Aids

Mandatory reading:

Study Pack on Business Strategy & Risk Management 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Schroder P W & Andersen T J 2010, **Strategic Risk Management Practice: How to Deal Effectively with Major Corporate Exposures**, Cambridge University Press Cambridge.

American Institute of Certified Public Accountants 2018, **Enterprise Risk Management: Guidance for Practical Implementation and Assessment**, John Wiley and Sons.

SL 4.4: GOVERNANCE AND ETHICS (GE)

Introduction

This course unit consists of two interrelated components, namely, corporate governance 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. Further, 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 and ethics in the business environment;
- Evaluate different theories and models related to corporate governance applicable to different contexts including related governance partnerships;
- Evaluate the regulatory framework and different corporate governance mechanisms including internal controls of an entity;
- Critically evaluate the importance of ethics in a corporate context;
- Evaluate theories and models related to ethics including the applications of ethical principles in professional and corporate contexts; and
- Evaluate the issues and new developments in corporate governance and ethics.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Overview of corporate governance	10
B	Governance partnership	10
C	Regulatory framework	15
D	Corporate governance mechanisms	15
E	Internal control systems	15
F	New developments in corporate governance	05
G	Ethics	30
	Total	100

The contents are required to be covered in about 90 student contact hours. The time taken to cover the 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.

Assessment

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

Part I (40 marks) : Compulsory question.

Part II (60 marks) : Essay questions.

Contents

A) Overview of corporate governance (10%)

Focus	Content
Discuss the concept, including the scope of corporate governance.	Different definitions of corporate governance; individual, organizational, and societal scopes of corporate governance.
Discuss the importance of corporate governance.	Advantages of corporate governance.
Explain the principles of corporate governance.	Principles of corporate governance [principles pertaining to directors, directors' remuneration, relations with shareholders, accountability and audit, institutional investors, other investors, internet of things and cybersecurity, environment, society and governance (ESG) which are included in Code of Best Practice on Corporate Governance in Sri Lanka (2017)].
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; Asian family-based model.

B) Governance partnership (10%)

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 the leadership role of chairman; corporate officers.

C) Regulatory framework (15%)

Focus	Content
Describe the codes, laws and regulations pertaining to corporate governance.	Cadbury Report; Higgs Report; Smith Report; Turnbull Report; OECD Code; UK Corporate Governance Code; UK Stewardship Code; Kings Report; Sri Lankan Code of Best Practice on Corporate Governance (2017); A Guide to Corporate Governance in Small and Medium Enterprises of Sri Lanka; Laws and regulations; Sri Lankan Company Act (2007); CSE Listing Rules; Sarbanes-Oxley Act; principles or prescription: the governance debate.

D) Corporate governance mechanisms (15%)

Focus	Content
Distinguish between internal and external governance mechanisms.	Internal corporate governance mechanisms (board of directors, board committees, internal controls); external corporate governance mechanisms (external auditing, legal system, regulators).
Discuss the roles of the 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; related party transaction committee; risk committee and 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).

E) Internal control systems (15%)

Focus	Content
Evaluate the role and components of an internal control system.	Internal controls; internal control systems; control environment and control procedures; role of internal controls; components of an internal control system.
Evaluate the COSO model of the integrated internal control system.	COSO model of integrated internal control system.

Focus	Content
Evaluate the role of internal control in mitigating frauds.	Frauds and internal controls.
Advise on the steps of the internal control procedure.	Internal control procedures.
Evaluate the process of developing a system of internal control.	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.
Evaluate the limitations of a system of internal controls.	Limitations of internal controls.

F) New developments in corporate governance (05%)

Focus	Content
Discuss the issues associated with the implementation of corporate governance mechanisms.	Issues in the application of corporate governance controls.
Evaluate the role of corporate governance in improving corporate sustainability.	Relationship between corporate governance and corporate sustainability.
Evaluate the issues and new developments in relation to corporate governance.	Issues (low level of compliance, high variations in compliance, regulatory issues); new developments promoted by different interest groups (digital governance, blockchain and governance).

G) Ethics (30%)

Focus	Content
Evaluate the importance of professional and corporate ethics.	Definitions of ethics; the importance of professional and corporate ethics.
Discuss theories on ethics including ethical framework on ethical decision making and their application.	Deontological and teleological views of ethics; cognitive moral development theory; ethical decision-making frameworks (American Accounting Association Framework, Turker's Framework); application of these theories and models in the context of business.
Discuss profession and professionalism.	Profession and professionalism; public interest.
Evaluate the principles of the code of ethics.	Code of Ethics of the International Ethics Standards Board for Accountants (IESBA); conceptual framework approach; fundamental ethical principles; threats and safeguards for both /practicing professional accountants and professional accountants in business.
Advise on the means and problems of enforcing a code of professional conduct.	Principle-based vs. rules-based ethical enforcement; issues in enforcing a code against a set of rules; steps/measures that could be taken to improve compliance.
Evaluate ethical issues and dilemmas.	Ethical issues; ethical issues and risk; ethical dilemmas.
Recommend means of resolving ethical conflicts.	Steps in resolving ethical issues and dilemmas.

Learning Aids

Mandatory reading:

Study Pack on Corporate Governance & Ethics 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Tricker B 2019, **Corporate Governance: Principles, Policies and Practices**, Oxford University Press, Oxford.

International Ethics Standards Board for Accountants (IESBA) 2022, **Handbook of the Code of Ethics for Professional Accountants 2022**, International Federation of Accountants, New York.

Mallin C 2018, **Corporate Governance**, Oxford University Press, Oxford.

SL 4.5: INTEGRATIVE CASE STUDY

Introduction

The Integrative Case Study (ICS) is the capstone course unit of the CMA Sri Lanka study program. Offered at the Strategic Level, it can be taken by students who have successfully completed all other course units spread over the Certificate, Operational, Managerial and Strategic levels. Through the ICS students are trained to examine an organizational problem/issue from a multidisciplinary perspective with a view to suggesting plausible recommendations for implementation. The focus herein is to guide students to take a holistic approach to phenomena instead of a partitioned outlook. Further, students assume the role of a Management Accountant/ Internal Business Consultant in working the ICS which provides useful training prior to their joining the world of work.

Learning Outcomes

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

- a. Identify a critical problem/issue associated with an organization;
- b. Synthesize, critique, analyze and evaluate data/information related to the problem;
- c. Prioritize, advise and recommend courses of action; and
- d. Present facts and findings in a logical sequence and lucid language.

Contents

The integrative case study constitutes a hypothetical/adapted version of an organization that is faced by a problem/issue that requires remedial action. The organization, engaged in either manufacturing or rendering services comes from either the corporate, state, or NGO sectors. It is further described in terms of the portfolio of products and markets; structure, resources, and culture; operations; ownership and affiliations; and performance as well as environmental parameters. The narration also describes events/ incidents revealing the lurking of a problem/issue.

Students are required to assume the role of a Management Accountant/Internal Business Consultant in assisting the organization. In this, he/she will prioritize, advise and recommend strategies to be taken in order to overcome the problem/issue to the satisfaction of stakeholders. While carrying out this task the student will demonstrate his/her ability to synthesize, critique, analyze and evaluate the given data/information based on the technical knowledge, professional skills, and professional values, ethics and attitudes imparted in the different levels of the study program.

The contents of the course unit encompass the core areas covered in the study programs:

Management Accounting; Financial Accounting; Managing Business Operations; Taxation and Law; Digital Business and Project Management; Financial Strategy and Valuation; Audit, Assurance and Control; Business Strategy and Risk Management; and Governance and Ethics.

Method of Operation

The ICS consists of two phases.

Phase I: Students will be provided with Scenario 1 of the case study which consists of preliminary data/information pertaining to the case. This will be received approximately six weeks prior to the examination. The students are required to study the data/information carefully and carry out a collation/synthesis/analysis they consider appropriate. This requires internalizing the data/information and coming to grips with the given organizational context and the associated problems/issues.

Phase II: Students will be given the case study in full, Scenario 1 (already given) and Scenario II (with additional information) at the examination.

Students are required to read the case study (Scenarios I and II) and answer the questions given at the end. The duration of the examination is of three hours with an additional reading time of 15 minutes.

Assessment Questions

The questions for assessment derived from two broad areas, (i) Accounting (Financial and Management) and Finance (50%) and Business Management (50%), the core pillars of the study program. Two to three questions, which may contain sub-parts, will be given from each area.

Accounting and Finance based questions will test the students' knowledge and skills in the technical areas of Management Accounting, Financial Accounting and Finance. In answering questions students shall also draw from the supportive stream such as taxation, law and communication. Answering to questions will largely take a calculative, interpretive and prescriptive approach. Further, Business Management based questions will test the students' knowledge and skills in the Business Management area. Answering questions will call for a descriptive, interpretive and prescriptive approach. It is important to note that a constant interaction/dependence exists between the two broad areas which has to be borne in mind when answering to questions. In essence, a holistic view is required to be taken in carrying out synthesis, analysis and evaluation pertaining to the organization.

Organization of Answers

The answers to the ICS have to be organized and presented as a report. Students are required to adopt a lucid style and use well-appointed paragraphs arranged in a logical sequence. Tables, charts and figures may also be used as required. Further, the report will be preceded by a covering letter prepared for the purpose.

Evaluation

The scheme of evaluation will consist of several dimensions: knowledge, application, integration, prioritization, decisions and presentation. The aspects examined and the relevant weightings are given below:

	Aspect of evaluation	Weights (%)
1	<p>Knowledge</p> <p>Ability to demonstrate knowledge acquired while following the Management Accounting, Financial Accounting, Finance and Business Management as well as supportive and skill course units.</p> <p><i>A high level of demonstration will merit top 25%, medium level demonstration middle 50% and low level of demonstration lower 25% of marks).</i></p>	30
2	<p>Application</p> <p>Ability to come out with practical solutions to specific scenarios based on the knowledge and skills gained through synthesis, analysis and computations.</p> <p><i>A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks).</i></p>	20
3	<p>Integration</p> <p>Ability to examine a problem/issue and develop solutions holistically via drawing from diverse functional disciplines.</p> <p><i>A high level of integration will merit top 25%, medium level of integration middle 50% and low level of integration lower 25% of marks).</i></p>	15
4	<p>Prioritization</p> <p>Ability to demonstrate a rational, balanced outlook supported by evidence to unearth issues and rank them in the order of priority.</p> <p><i>A high level of prioritization will merit top 25%, medium level of prioritization middle 50% and low level of prioritization lower 25% of marks).</i></p>	15
5	<p>Decisions</p> <p>Ability to come out with viable decisions and implementable recommendations.</p> <p><i>A high level of application will merit top 25%, medium level application middle 50% and low level of application lower 25% of marks).</i></p>	10
6	<p>Presentation Skills 1</p> <p>Ability to structure answers in a logical sequence.</p> <p><i>A high level of organizing skills will merit top 25%, medium level organizing skills middle 50% and low-level organizing skills lower 25% of marks).</i></p>	5
7	<p>Presentation Skills 2</p> <p>Ability to write legible and well-developed paragraphs free of syntax and spelling errors.</p> <p><i>A high level of writing skills will merit top 25%, medium level writing skills middle 50% and low-level writing skills lower 25% of marks).</i></p>	5

Instructional Sessions

CMA Sri Lanka conducts a series of tailor-made sessions of instruction with a view to coaching students on the case study-based examination technique. In addition, students are encouraged to practice past papers which will familiarize them with different facets tested at the examination.

Conclusion

The ICS is expected to be a self-fulfilling experience for students as it provides them with an opportunity to test how different concepts, theories and techniques can be applied to advantage in real-life business scenarios. While students are expected to come out with creative, but practical and holistic suggestions and recommendations they should also be presented in a logically comprehensible manner. In this, practice of past papers and working extensively on Scenario 1 (distributed weeks ahead) will play a useful role.

SL 4.6: DIGITAL TOOLS FOR ACCOUNTANTS (DTA)

Introduction

This course unit provides comprehensive theoretical and practical knowledge in the application of selected accounting software (e.g. Sage 50-2022, hereafter referred to as SAGE 50) in business data processing with a view to producing financial reports for both internal and external users of accounting information in their decision making processes. During the course module, students are given hands-on experience in setting up the reporting entity's profile and different modules viz. customers and sales, vendors and purchases, general ledger, inventory, employee and payroll, fixed assets and budget analysis. Further, students get hands-on experience in creating Charts of Accounts, posting transactions into the accounting system through various modules and analyzing information generated for segments of the business through various reports available in the system. Integration of all modules in the accounting system and personalization of accounting systems to suit the information needs of different types of organizations are also covered.

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;
- Identify the reporting requirements for internal and external purposes; and
- Use accounting software.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	General ledger module	10
B	Vendors module	10
C	Inventory module	10
D	Customer module	10
E	Transactions processing module	40
F	Banking module	15
G	Report and form module	05
	Total	100

The contents are to be covered in about 45 student contact hours. Time taken to cover the 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) : Mid-exam - Compulsory question (scenario-based).

Part II (60 marks) : Final exam - Compulsory question/s (scenario-based).

Students shall obtain 50% marks for each part to pass the module. 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 the digital tools available for accountants including computer based accounting (CBA).	Digital tools available for accountants; 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 and 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; creating segmentation for profit analysis.
Demonstrate setting up of the general ledger.	Entering general ledger defaults; setting 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; maintaining 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's module to other modules; payment 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 fields for more information; price calculations.
Demonstrate creating an inventory ledger.	Designing and entering a coding system; selecting item class; entering general information; adding additional information; creating a 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 modules to other modules; payments methods; setting the 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; selecting 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 for each segment and overall company; 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 Digital Tools for Accountants 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Help manuals available with the software (SAGE 50-2022).

SL 4.7: ADVANCED DATA ANALYTICS (ADA)

Introduction

This is an advanced skill level course that facilitates learners to gain practical skills in extracting and manipulating data using data analytic models. Data analytics suggests decision options on how to take advantage of a future opportunity or mitigate a future risk and shows the implication of each decision option. The available tools can continually take in new data to re-predict and re-prescribe, thus automatically improving prediction accuracy and prescribing better decision options. This course aims to enhance students' ability to obtain actionable decisions in business, employing mathematical modeling using data analytic tools. Students will be designing and building scalable data models, cleaning, and transforming data, and enabling advanced analytical capabilities that provide meaningful business value. This course assumes that students have sufficient knowledge and skills in the areas covered in the course unit ML3.6: Data Analytics.

Learning Outcomes

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

- Possess the knowledge and skills on preparing the data for analysis;
- Develop data-driven solutions to support decision-making in real-world business situations;
- Communicate technical information and analysis results to people using visualization techniques; and
- Deploy the model in a real-world environment for decision making.

Syllabus Structure

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

Segment	Topic	Weight (%)
A	Prepare the data	20
B	Model the data	30
C	Visualize and analyze the data	35
D	Deploy and maintain assets	15
	Total	100

The contents are intended to be covered in about 18 student contact hours. However, depending on the practical circumstances the allocated time could vary. The time taken to cover the 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 given above.

Assessment

The test paper of two-and-a-half-hour duration will consist of a practical question.

The practical question will assess students' skills in using computer software in the areas covered in the course unit. Students will be awarded either a pass or fail grade in this course unit.

Contents

A) Prepare the data (20%)

Focus	Content
Demonstrate knowledge of getting data from different data sources.	Identifying and connecting to a data source; changing data source settings; selecting a shared dataset or creating a local dataset; selecting a storage mode; using Microsoft Dataverse; changing the value in a parameter; connecting to a data flow.
Apply the techniques to perform cleaning, transforming, and loading of the data.	Profiling the data; resolving inconsistencies, unexpected or null values, and data quality issues; identifying and creating appropriate keys for joins; evaluating and transforming column data types; shaping and transforming tables; combining queries; applying user-friendly naming conventions to columns and queries; configuring data loading; resolving data import errors.

B) Model the data (30%)

Focus	Content
Prepare a design of the data model by applying design techniques.	Defining the tables; configuring table and column properties; designing and implementing role-playing dimensions; defining a relationship's cardinality and cross-filter direction; designing a data model that uses a star schema; creating a common date table.
Demonstrate skills in developing a data model.	Creating calculated tables; creating hierarchies; creating calculated columns; implementing row-level security roles; using the Q&A feature.
Demonstrate skills in creating model calculations by using Data Analysis Expressions (DAX).	Creating basic measures by using DAX; using CALCULATE to manipulate filters; implementing time intelligence using DAX; replacing implicit measures with explicit measures; using basic statistical functions; creating semi-additive measures; using quick measures.
Demonstrate skills to optimize model performance.	Removing unnecessary rows and columns; identifying poorly performing measures, relationships, and visuals; reducing cardinality levels to improve performance.

C) Visualize and analyze the data (35%)

Focus	Content
Demonstrate the process of creating reports.	Adding visualization items to reports; choosing an appropriate visualization type; formatting and configuring visualizations; using a custom visual; applying and customizing a theme, configuring conditional formatting; applying slicing and filtering; configuring the report page; using the 'analyze' in Excel feature; choosing when to use a paginated report.
Demonstrate the functions of creating dashboards.	Managing tiles on a dashboard; configuring mobile view; using the Q&A feature; adding a quick insights result to a dashboard; applying a dashboard theme; pinning a live report page to a dashboard.
Prepare reports for usability and storytelling.	Configuring bookmarks; creating custom tooltips; editing and configuring interactions between visuals; configuring navigation for a report; applying sorting; configuring Sync Slicers; grouping and layering visuals by using the selection pane; drilling down into data using interactive visuals; exporting report data; designing reports for mobile devices.
Identify patterns and trends.	Using the analyze feature in Power BI; identifying outliers; choosing between continuous and categorical axes; using groupings, binnings, and clustering; using AI visuals; using the forecast feature; creating reference lines by using the analytics pane.

D) Deploy and maintain assets (20%)

Focus	Content
Demonstrate skills in managing files and datasets.	Identifying when a gateway is required; configuring a dataset scheduled refresh; configuring row-level security group membership; providing access to datasets; managing global options for files.
Demonstrate skills in managing workspaces.	Creating and configuring a workspace; assigning workspace roles; configuring and updating a workspace app; publishing, importing or updating assets in a workspace; applying sensitivity labels to workspace content; configuring subscriptions and data alerts; promoting or certifying Power BI content.

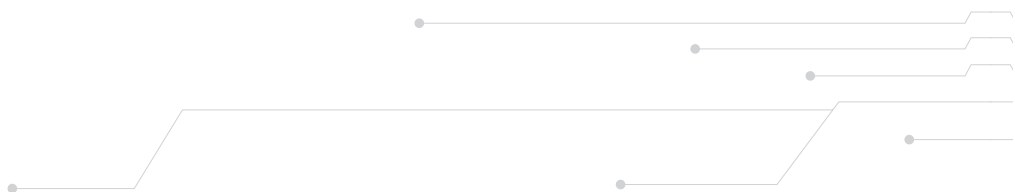
Learning Aids

Mandatory reading:

Study Pack on Advance Data Analytics 2023, Certified Management Accountants of Sri Lanka, Colombo.

Supplementary readings:

Microsoft Learn - Microsoft Tech Community.



SECTION FIVE

PRACTICAL EXPERIENCE REQUIREMENT & APPLYING FOR MEMBERSHIP

Practical Experience Requirement

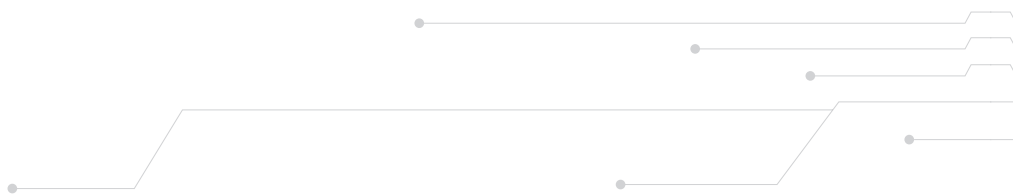
In order to apply for CMA membership candidates should fulfill a Practical Experience Requirement (PER) of three (3) years which can be acquired while completing or on completion of the study program.

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

Documentation of PER is done in the Logbook. Candidates are required to complete the 'Practical Experience Requirement Application' and record their training/work experience in the Logbook continuously which will be assessed by the mentor/ training supervisor. It is recommended that the work record is certified at least quarterly. 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 successfully complete the Study Program and PER will be considered for the award of the Institute's membership after VIVA-VOSE. These candidates are required to submit the following documentation when applying for membership: membership application; duly completed checklist; brief company profile; detailed CV signed by the candidate; employment summary; service letters from employers; duly completed logbook containing the official seal of the mentor/training supervisor on each page and a certified copy of the final examination results sheet.



SECTION SIX

ASSESSMENT AND PROGRESSION

Assessment

Different components of the Study Program and Practical Experience Requirements will be assessed using a variety of methods.

- **Assessment of the Study Program**

Modes of assessment of course units in the Study program comprise computer-based testing, written tests, practical and oral examinations. The composition of the question paper and scheme of assessment of each course unit are given in the relevant course syllabus. The pass mark for any core course unit is 50 and the grading scheme is given below (See Table 6.1). For skill course units grades of evaluation are either a pass or fail, where the pass mark is 50.

Table 6.1: Grading Scheme

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

- **Assessment of the Practical Experience Requirement (PER)**

Assessment of PER will be carried out continuously 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:

- Students can take a maximum of six course units from the Certificate, Operational, and Managerial Levels. Individual course units can be attempted after the first sitting of Certificate Level.
- Students need to sit for a minimum of three subjects at the first sitting in Certificate Level.
Note: Those who wish to apply the subjects at the Operational level need to apply together with the balance subjects at the Certificate level if any. Certificate level needs to be completed prior to applying for any subject at the Managerial Level.
- Students are allowed to take Certificate, Operational and Managerial Level examinations 'subject-wise' following the logical sequence given below. (In order to follow a higher level course unit the corresponding lower level course unit has to be successfully completed.)

Table 6.2: Subject-wise Progression

Stream	Logical Sequence
Management Accounting	CL 1.1 → OL 2.1 → ML 3.1
Financial Accounting and Finance	CL 1.2 → OL 2.2 → ML 3.2
Law and Taxation	OL 2.4 → ML 3.4
Skill – Communication	CL 1.5 → OL 2.5 → ML 3.5
Skill – Technology	OL 2.6 → ML 3.6

- Candidates are required to successfully complete all the course units of Certificate, Operational and Managerial Levels prior to progressing to Strategic Level.
- Students need to sit in all four subjects (4.1 to 4.4) at first sitting at Strategic Level. Individual course units can be attempted after the first sitting.
- The Integrative Case Study can be attempted only upon successful completion of all the course units.

SECTION SEVEN

CONTINUING PROFESSIONAL DEVELOPMENT

CMA is committed to (a.) Develop 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 Program is devoted to fulfilling the requirements of IPD while the continuing development program looks after CPD requirements. Carefully designed and implemented CMA CPD program 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 program 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)

APPENDIX 1

LIST OF KEYWORDS

The meaning of keywords used in the course syllabi is given in Table A.1.

Table A.1: Defining Keywords

Keyword	Definition
Acquire	Come into possession.
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.
Communicate	Convey knowledge of or information about.
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 a 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 something.
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'
Write	Communicate in writing.
Use	Put into action.



Institute of Certified Management Accountants of Sri Lanka

29/24, Visakha Private Road, Colombo 04, Sri Lanka

Tel : +94 (0)11 2506391, 2507087, 4641701-3 , Fax : Ext 118

www.cma-sri.lanka.org

secretariat@cma-srilanka.org



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