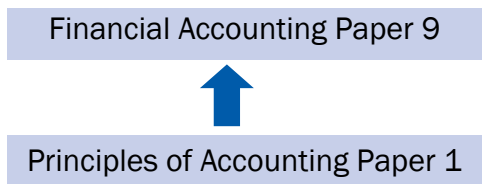


LEVEL III FINANCIAL ACCOUNTING PAPER 9

SYLLABUS CHART



OVERALL AIM

To equip the learner with skills to prepare, analyse and interpret financial information.

LEARNING OUTCOMES

On completion of this course, the learner should be able to:

	Learning outcomes	K	C	A	An	S	E
1.	Explain the conceptual and regulatory framework of financial reporting in Uganda	✓					
2.	Apply accounting concepts and conventions			✓			
3.	Prepare financial statements for partnerships			✓			
4.	Prepare financial statements of manufacturing concerns			✓			
5.	Prepare specialised accounts			✓			
6.	Prepare financial statements for companies			✓			
7.	Interpret financial information				✓		
8.	Explain ethical issues pertaining to accountancy	✓					

LEVEL OF ASSESSMENT

The examination will test the learner's knowledge and application of accounting principles and concepts and analysis of financial information.

EXAMINATION STRUCTURE

There will be a three-hour examination comprising six questions of 20 marks each, of which the candidate will be required to attempt any five.

DETAILED SYLLABUS

A ACCOUNTING CONCEPTS AND CONVENTIONS

1. Application of concepts/ conventions covered under Principles of Accounting
2. Underlying accounting assumptions, i.e., accrual basis and going concern

B FRAMEWORK FOR FINANCIAL REPORTING IN UGANDA

1. Users of financial statements and their information needs
2. Objectives and qualitative characteristics of useful financial information
3. Elements of financial statements
4. Need for regulation of financial reporting
5. Forms of regulation:
 - (a) Legal framework, including Companies Act, 2012; Public Finance Management Act, 2015 as amended; Public Finance Management Regulations, 2016
 - (b) International Financial Reporting Standards (IFRS)
 - (c) Conceptual framework, including key elements of financial statements and interpretation and analysis of the elements of financial statements
 - (d) Capital Markets Authority and Securities Exchange and their roles in setting financial reporting requirements

C PARTNERSHIPS

1. Accounting for changes in partnership on retirement, admission of new partner(s) and change in profit or loss sharing arrangements (including adjustments to assets and goodwill)
2. Accounting procedures for dissolution of partnerships including application of the rule in Garner versus Murray

D MANUFACTURING CONCERNS

1. Retailing versus manufacturing businesses
2. Preparation of manufacturing accounts, including adjustments for work-in-progress, profit margins and mark-ups and transfers of finished goods to trading accounts
3. Apportionment of expenses to production, selling and distribution and administration
4. Preparation of financial statements (profit or loss and other comprehensive income and financial position)

E COMPANIES

1. Companies limited by shares versus companies limited by guarantee
2. Accounting for issue of shares and debentures
3. Preparation of financial statements for internal use (profit or loss and other comprehensive income, financial position, changes in equity, cash flows and notes to financial statements)

F PREPARATION OF SPECIALISED ACCOUNTS

1. Royalties
2. Branches/ departments
3. Hire purchase arrangements
4. Consignments
5. Joint ventures
6. Containers

G FINANCIAL REPORTING STANDARDS

1. The standards setting process
2. Merits and demerits of accounting standards
3. Application of standards:
 - (a) International Accounting Standard (IAS) 1, Presentation of Financial Statements
 - (i) Objective of the Standard
 - (ii) Financial statements
 - (iii) Scope of the Standard
 - (iv) Key concepts of the Standard
 - (v) Information to be presented on the face of each financial statement
 - (vi) Minimum information to be disclosed on the face of each financial statement
 - (vii) Statement of profit or loss and other comprehensive income, including, meaning of comprehensive income, reporting comprehensive income, results of operating activities and other comprehensive income
 - (viii) Statement of financial position, including line items for property plant and equipment, current assets and liabilities, non-current assets and non-current liabilities and equity
 - (ix) Statement of cash flows
 - (x) Statement of changes in equity
 - (xi) Accounting policies and notes to the financial statements
 - (b) International Accounting Standard (IAS) 2, Inventories
 - (i) Objective of the Standard
 - (ii) Scope of the Standard
 - (iii) Exceptions to the Standard
 - (iv) Key concepts of the Standard
 - (v) Cost of inventory; exclusions from the cost of inventory

- (vi) Cost formulas
- (vii) Presentation and disclosure
- (c) International Accounting Standard (IAS) 7, Statement of Cash Flows
 - (i) Meaning of cash, cash equivalent and cash flow
 - (ii) Disclosures under operating, investing and financing activities
 - (iii) Preparation of statement of cash flows

- (d) International Accounting Standard (IAS) 16, Property, Plant and Equipment
 - (i) Objective of the Standard
 - (ii) Scope of the Standard
 - (iii) Exceptions to the Standard
 - (iv) Key concepts of the Standard, including cost (initial and subsequent costs, elements of cost, measurement of cost, measurement after recognition), fair value, carrying amount, depreciation, impairment loss, property, plant and equipment recoverable amount and useful life
 - (v) Recognition and disposal of assets; capitalisation; write-offs and expenses; revaluation surplus/deficit; reversal of revaluation surplus
 - (vi) Presentation and disclosure of :
 1. Measurement bases and depreciation methods and depreciation rates
 2. Reconciliation of assets at the beginning and end of period showing, additions, disposals, revaluations (including date of revaluation and names of valuers), impairments and write-offs, assets pledged as securities for liabilities

- (e) International Financial Reporting Standard (IFRS) 15, Revenue from Contracts with Customers
 - (i) Objective of the Standard
 - (ii) Scope of the Standard
 - (iii) Exceptions to the Standard
 - (iv) Key concepts of the Standard
 - (v) Measurement
 - (vi) Revenue recognition from sale of goods and rendering of services; exceptions to recognition of revenue
 - (vii) Fair value and effective yield
 - (viii) Long-term construction contracts

H ETHICS

1. Role / importance of ethics
2. Principles of business ethics
3. Fundamental ethical issues in business
4. Salient features of the ICPAU Code of Ethics

REFERENCES

1. ICPAU, Financial Accounting. Kampala.
2. Institute of Certified Public Accountants of Uganda, 2007. Code of Ethics Kampala.
3. Wood F. & Sangster A., 2018. Business Accounting, 14th ed, Hoboken: Prentice Hall.
4. Government of Uganda, Uganda Printing and Publishing Corporation:
 - (a) Capital Markets Authority Act, 2011 as amended
 - (b) Public Finance Management Act, 2015 as amended
 - (c) Public Finance Management Regulations, 2016.
 - (d) Companies Act, 2012
5. International Accounting Standards Board, Current Edition. International Financial Reporting Standards. London: International Accounting Standards Board.