



**INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS OF UGANDA**

**ACCOUNTING TECHNICIANS
DIPLOMA (ATD)**

EXAMINATION SYLLABUS

2016



ATD EXAMINATIONS SYLLABUS STRUCTURE

LEVEL III	Financial Accounting Paper 10	Principles of Taxation Paper 11	Entrepreneurship Paper 12	Principles of Auditing Paper 13
LEVEL II	Introduction to Management Accounting Paper 6	Law of Business Associations Paper 7	Information Systems Paper 8	Business Management Paper 9
LEVEL I	Business Accounting Paper 1	Business Communication Paper 2	Business Mathematics & Statistics Paper 3	Principles of Law Paper 4
				Economics Paper 5

TABLE OF CONTENTS

Paper	Subject	Page
	Background Information	4
Level I		9
1	Business Accounting	9
2	Business Communication	16
3	Business Mathematics and Statistics	20
4	Principles of Law	24
5	Economics	31
Level II		40
6	Introduction to Management Accounting	40
7	Law of Business Associations	49
8	Information Systems	57
9	Business Management	66
Level III		71
10	Financial Accounting	71
11	Principles of Taxation	76
12	Entrepreneurship	82
13	Principles of Auditing	88

1.0 BACKGROUND INFORMATION

1.1 Institute's Profile

The Institute of Certified Public Accountants of Uganda (ICPAU) was established in 1992 by an Act of Parliament, now The Accountants Act, 2013. ICPAU is governed by a Council, which is assisted by the Public Accountants Examinations Board (PAEB), and other committees of Council.

The functions of the Institute, as prescribed by the Accountants Act, 2013 are:

- (i) To regulate and maintain the Standard of Accountancy in Uganda;
- (ii) To prescribe and regulate the conduct of accountants and practicing accountants in Uganda.

ICPAU is a member of the International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA).

1.2 Vision

To be a world-class professional accountancy Institute.

1.3 Mission

To develop, promote and regulate the accountancy profession in Uganda, in public interest.

1.4 Core Values

- Professional excellence.
- Integrity
- Commitment
- Good governance
- Social responsiveness

1.5 The Public Accountants Examinations Board (PAEB)

As part of the function of regulating and maintaining the standard of accountancy, ICPAU conducts examinations in Uganda. This function is executed by the PAEB on behalf of Council.

PAEB is responsible for conducting the:

- (a) Certified Public Accountants of Uganda - CPA (U) examinations.
- (b) Accounting Technicians Diploma - ATD examinations.

2.0 ACCOUNTING TECHNICIANS DIPLOMA (ATD) EXPLAINED

2.1 Accounting Technicians

These are trained staff who support professional accountants and/ or administrative staff, in the accounting, finance, auditing, taxation and management functions.

2.2 Purpose

To produce competent accounting staff with comprehensive and a wide range of technical knowledge, skills and attitudes which will enable them to work in any sector of the economy.

2.3 Objectives

1. To produce accounting staff who will be responsible for the efficient operation of their organisations' systems and implementation of agreed policies.
2. To produce accounting staff who adhere to professional ethics.
3. To produce accounting staff who are effective communicators, orally and in writing.
4. To provide ATD holders with an avenue for access, progression and continued learning in accountancy and other fields.
5. To create an enabling environment for Accounting Technicians to associate.

2.4 Entry Requirements

To register as an ATD student, one must have one of the following qualifications:

1. A UACE with at least one principal pass or the equivalent.
2. UNEB/UBTVEB Group Certificate for Business Education of at least stage two.
3. Mature age Entry certificate obtained from a recognised university or institution.
4. Other certificates as may be approved by PAEB.

3.0 REGISTRATION FOR STUDENTSHIP

Registration of students is continuous throughout the year. Applications must be made on the appropriate forms issued by the Institute accompanied with the prescribed fees and the required documents.

Note:

1. The Institute reserves the right not to register and/or de-register any student who in its opinion is not a fit and proper person for the accountancy profession in Uganda.
2. It is advisable for any person who wishes to sit for any examination diet should register for studentship at least 7 months before the intended examinations diet.

4.0 PROGRESSION RULES

- 4.1 A candidate may attempt a minimum of one subject and a maximum of five subjects at Level 1; four subjects at Level 2 and four subjects at Level 3 at any one sitting.
- 4.2 A candidate must complete one level of the syllabus before proceeding to the next. An exception to this rule is when the candidate has only one subject to complete a level. In this case, the candidate can combine it with some subjects from the next level.
- 4.3 No candidate will be allowed to combine the following subjects at any one sitting:

	Level 1	Level 2	Level 3
1.	Business Accounting - Paper 1	Introduction to Management Accounting - Paper 6	Financial Accounting - Paper 10
2.	Principles of Law - Paper 2	Law of Business Associations - Paper 7	

- 4.4 A candidate will be credited with each subject passed.

Note: The Institute reserves the right to vary or amend the progression rules and examinations regulations.

5.0 ATD COURSE TIME LIMITS

- 5.1 A student will be required to complete the course in a maximum period of six years.
- 5.2 A student will be discontinued when the completion period expires

6.0 MAINTAINING STUDENTSHIP

- 6.1 Annual renewal fees for studentship are due on 1 January of each year and should be paid not later than 31 March of each year.
- 6.2 Studentship will lapse if the annual renewal fees remain unpaid after 31 March of the year.
- 6.3 Students with outstanding dues (e.g. annual renewal) will not be allowed to register for examinations.
- 6.4 A student whose studentship lapses due to non-payment of annual dues may, on application, renew their studentship by paying the appropriate penalty and the outstanding dues, as determined by the Institute. The studentship will, thereafter, be re-activated.
- 6.5 A student who is not on the students' roll will not be permitted to sit for examinations.
- 6.6 The lapsed time of studentship will not affect the course completion time limits i.e. no extension of completion dates will be allowed due to studentship lapses.
- 6.7 A student may be discontinued for professional misconduct.

7.0 EXAMINATIONS

- 7.1 The examinations to be/will be held twice a year i.e. June and November/December.
- 7.2 Registration for examinations must be done on **online** on the Institute's website. Exceptions will seek guidance from the Institute.
- 7.3 Examinations entry must be preceded by payment of the prescribed examinations fees and evidence should be availed to the Institute to confirm the registration.
- 7.4 The closing dates for the receipt of the examinations entries are as follows:

Diet	Normal registration	Late registration
June	30 March	15 April
November	30 September	15 October

- 7.5 Withdrawal of examinations entries will not be accepted after 15 April and 15 October for the June and November / December examinations respectively. Monies paid for examinations purposes can only be used for subsequent examinations diets or for settling any outstanding dues.

- 7.6 Pass Mark
The pass mark for each subject is 50%. The candidates will have the actual marks, alongside pass or fail, shown on their results slips.

8.0 METHODS OF STUDY

There are four distinct methods of study:

- (a) A full-time study at a training institution.
- (b) Part-time study (i.e. evening or week-end classes) at a Training Institution.
- (c) Private study.
- (d) Correspondence by a training institution.

It is up to the student to choose the appropriate method of study. However, students are encouraged to have sufficient preparation before attempting any examination.

9.0 TEACHING INSTITUTIONS

- 9.1 ICPAU is not engaged in the provision of tuition. This function is carried out by various training institutions.
- 9.2 The Institute will advise the students on recognised training institutions / centres from time to time.

10.0 APPEALS FOR REMARKING

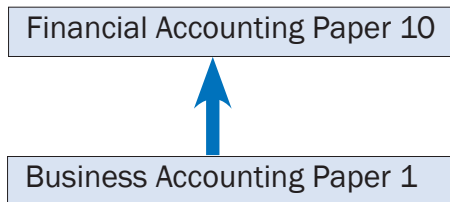
- 10.1 Candidates who are dissatisfied with their marks may apply for remarking within 14 days from the date of release of examinations results by completing an appeal form for remarking (**available on www.icpau.co.ug**) and paying the prescribed fees.
- 10.2 Students are advised not to make the appeal decision in a rush and to note that no extraneous circumstances will be considered during the remarking.
- 10.3 The remarking will take place within three weeks from the closure of the appeal period. No extensions will be granted.
- 10.4 A refund of the remarking fee, less an administrative charge of 20%, shall be made if, after the remarking, the candidate's results for a particular paper change from **FAIL** to **PASS**. Otherwise, no refund will be made.



LEVEL 1

BUSINESS ACCOUNTING -PAPER 1

SYLLABUS CHART



OVERALL AIM

To provide the learner with knowledge and skills of basic accounting concepts and how they can be applied to financial statements providing useful information for business evaluation and decision-making

LEARNING OUTCOMES

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

1. Define the different terms used in accountancy
2. Describe the purpose and relevance of the main areas of accounting i.e. financial accounting, cost accounting and management accounting
3. Categorise business organisations
4. Record transactions in the books of prime entry using a double entry book-keeping system
5. Extract a trial balance
6. Describe the accounting cycle
7. Make end of year adjustments
8. Prepare simple financial statements for business entities and non-profit making organisations
9. Analyse and interpret the information contained in the financial statements for effective decision making

LEVEL OF ASSESSMENT

The examination will mainly test knowledge, comprehension and application

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

A. INTRODUCTION

1. Meaning and differences between: book-keeping, financial accounting, cost accounting and management accounting
2. Users of financial statements and their information needs
3. The accounting equation and statement of financial position
4. The role of accountants and accounting technicians

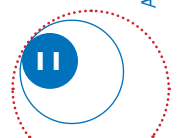
B. FORMS OF BUSINESS ENTITY

1. Meaning of 'business entity'
2. Categories of business entities
 - (a) Sole proprietorships:
 - (i) Characteristics
 - (ii) Benefits and limitations
 - (b) Partnerships:
 - (i) Meaning
 - (ii) Formation
 - (iii) Characteristics
 - (iv) Partnership agreement/ deed
 - (v) Benefits and limitations
 - (c) Limited liability companies:
 - (i) Characteristics
 - (ii) Companies limited by shares and/or by guarantee
 - (iii) Benefits and limitations
 - (iv) Partnerships versus limited liability company
 - (v) Public versus private companies

C. PRINCIPLES OF DOUBLE ENTRY BOOK-KEEPING AND BOOKS OF ORIGINAL ENTRY

1. Meaning of double entry
2. Merits of double entry system
3. Recording of transactions within the double entry framework

- (a) Explanation of the accounting equation and effect of transactions on statement of financial position
 - (i) Double entry system for assets, liabilities and capital
 - (ii) The double entry system for expenses and revenues
 - (iii) The effect of profit and loss on capital
 - (b) Classification of accounts
 - (i) Personal (natural, artificial/ legal and representatives), impersonal (real and nominal)
 - (ii) Golden rules of accounting
 - (c) Elements of financial statements
 - (d) Capital and revenue transactions
4. Source documents and records
- (a) Receipts
 - (b) Vouchers
 - (c) Invoices
 - (d) Credit and debit notes
5. Books of original entry
- (a) Cash book:
 - (i) Two column and three column
 - (ii) Petty cash book and imprest system
 - (iii) Analysed cashbook
 - (b) Journals
 - (i) General journal
 - (ii) Sales journal
 - (iii) Purchases journal
 - (iv) Returns inwards and returns outwards journals
 - (c) Preparation of books of original entry and transfer to the ledger accounts
6. Ledgers and extraction of a trial balance
- (a) Meaning of a ledger and ledger accounts
 - (b) Debit and credit entries
 - (c) Posting and balancing ledger accounts
 - (d) Sales Ledger, Purchases Ledger, General or Nominal Ledger
 - (e) Preparation of principal and subsidiary ledgers
 - (f) Balancing off ledger accounts and extraction of a trial balance



7. Accounting cycle
 - (a) Collecting data using source documents
 - (b) Recording transactions in books of original entry
 - (c) Posting from journals to ledger accounts
 - (d) Preparation of a trial balance
 - (e) End of period adjustments
 - (f) Financial statements

D. ERRORS AND THEIR CORRECTION

1. Types of errors:
 - (a) Errors which cannot be revealed by a trial balance
 - (b) Errors that can be revealed by a trial balance
2. Correction of errors using the journal
3. Errors and the suspense account
4. Preparation of revised statement of profit or loss and other comprehensive income and statement of financial position after correction of errors

E. BANK RECONCILIATION STATEMENTS

1. Nature and purpose
2. Causes of differences between bank statement and cash book balance
3. Cheque system
4. Bank statement format and terms involved
5. Methods of bank reconciliation
6. Preparation of adjusted cash book
7. Merits of bank reconciliation statements

F. FINANCIAL STATEMENTS FOR INTERNAL USE

Preparation of simple statements of profit or loss and other comprehensive income and financial position for sole traders, partnerships and limited companies (excluding manufacturing entities)

G. END OF PERIOD ADJUSTMENTS

1. Need for period end adjustments
2. Accruals and prepayments of incomes and expenses (application of accrual and matching concepts)
3. Provision for bad and doubtful debts

- (a) Need for provisions for bad and doubtful debts
 - (b) Distinction between:
 - (i) Definite and doubtful debts
 - (ii) Specific and general debts
 - (c) Determination of provisions for bad and doubtful debts
 - (d) Movement in the provisions for bad and doubtful debts account
 - (e) Accounting treatment of provision for bad debts, increase in bad debts, decrease in bad debts, bad debts written off and recovered in ledger accounts and financial statements
4. Discounts
- (a) Meaning and different types of discounts (cash discount, trade discount)
 - (b) Accounting treatment of movements in provisions for discounts allowed and discounts received in the ledger accounts and financial statements
5. Depreciation
- (a) Objectives of providing for depreciation
 - (b) Identification of depreciable assets
 - (c) Methods of depreciating and amortising non-current assets
 - (d) Accounting for depreciation
 - (e) Recording of acquisition and disposal of non-current assets

H. PREPARATION OF FINANCIAL STATEMENTS FROM INCOMPLETE RECORDS

1. Meaning of incomplete records
- (a) Reasons/ circumstances which give rise to incomplete records
 - (b) Need for complete records
 - (c) Accounting process
 - (d) Sources of information
2. Transformation of incomplete records into proper books of account
- (a) Preparation of statements of affairs
 - (b) Analysis of cash and bank transactions
 - (c) Control accounts
 - (i) Meaning and need for control accounts
 - (ii) Sources of information for control accounts
 - (iii) Preparation of schedules of accounts receivable and accounts payable
 - (iv) Determination of purchases and sales amounts
 - (v) Determination of expenses and income amounts

- (d) Computation of and relationship between mark-up and margin
- (e) Preparation of trial balance
- (f) End of period adjustments
- (g) Preparation of statements of profit or loss and other comprehensive income and financial position from incomplete records

I. FINANCIAL STATEMENTS FOR NON-PROFIT MAKING ORGANISATIONS

1. Meaning and types of non-profit making organisations
2. Non-profit versus profit making organisations
3. Ordinary and life membership subscriptions
4. Receipts and payments account
5. Income and expenditure account/ statement
6. Accumulated fund
 - (a) Meaning
 - (b) Determination
 - (c) Effects of surplus or deficit on accumulated fund
7. Statement of financial position
8. Income and expenditure account/ statement of non-profit organisation versus statement of profit or loss and other comprehensive income of a profit-making organisation

J. INTRODUCTION TO PARTNERSHIP ACCOUNTS

1. Treatment of partnership profits and losses, partners' salaries and drawings
2. Preparation of partners' capital and current accounts
3. Preparation of statements of profit or loss and other comprehensive income and financial position

K. SIMPLE COMPANY ACCOUNTS

1. The legal and financial framework of a limited company
2. Requirements of the Companies Act
3. Preparation of profit or loss and other comprehensive income and statement of financial position for internal use

REFERENCES

1. Wood Frank & Alan Sangster (2011), Business Accounting, Prentice Hall, Great Britain, 12th Edition.
2. Wood Frank & Sheila Robinson (2009), Book keeping and Accounts, Financial Times Management, Prentice Hall Great Britain, 7th Edition.
3. Wood Frank (2008), Business Accounting 1, Financial Times Management, Prentice Hall Great Britain, 11th Edition.



BUSINESS COMMUNICATION - PAPER 2

OVERALL AIM

To enable the learner communicate effectively in business and employment

LEARNING OUTCOMES

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

1. Demonstrate and explain communication processes
2. Explain how to prepare for and conduct meetings and conferences
3. Communicate effectively in different business situations
4. Explain the different merging trends in communication
5. Demonstrate language competence in different business scenarios

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

A. COMMUNICATION IN ORGANISATIONS

Communication

- (a) The meaning of communication
- (b) Formal and informal communication
- (c) Communication process
- (d) Importance of communication in business
- (e) Effective communication
- (f) Principles of effective communication
- (g) Communication channels
- (h) Ethics and integrity in business communication
- (i) Office management and interpersonal skills

B. METHODS OF COMMUNICATION

1. Oral
 - (a) Speaking skills
 - (b) Interviews
2. Non-verbal communication
 - (a) Non-verbal cues in communication
 - (b) Listening
 - (c) Working
 - (d) Paralanguage/body language
 - (e) Touch

C. MODES OF COMMUNICATION

1. Office communication
 - (a) Business Letter
Contents and importance of a business letter
 - (b) Other forms of letters
 - (i) Apology
 - (ii) Message of condolence
 - (iii) Acceptance
 - (iv) Appreciation
 - (v) Appointment
 - (vi) Resignation
 - (vii) Termination
 - (c) Memoranda
 - (d) Notices
 - (e) Circulars
 - (f) Press releases
2. Advertisements
 - (a) Meaning and types of advertisements
 - (b) Writing/ designing of an advertisement
3. Critical appreciation
 - (a) Summarising
 - (b) Editing/ proofreading; importance of proofreading
 - (c) Interpretation

4. Electronic Communication.
Meaning, advantages and disadvantages of:
 - (a) Internet
 - (b) e-mail
 - (c) Social media
 - (d) Telephone

5. Audio-Visual Aids
Meaning advantages and disadvantages of:
 - (a) Diagrams
 - (b) Charts
 - (c) Tables
 - (d) Pictures
 - (e) Projectors
 - (f) Graphs

D. MEETINGS

1. Preparation for meetings
2. Notices and agenda for meetings
3. Time management
4. Format of minutes
5. Order and presentation of minutes
6. Circulating information and documents
7. Filing and safe custody
8. Preparation of work plans
9. Follow-up activities/ Action points

E. CONFERENCES/SEMINARS/WORKSHOPS

1. Preparation
2. Time management
3. Notices
4. Programme
5. Management
6. Rapporteurship
7. Resolutions
8. Follow-up activities

F. REPORTS

1. Types

2. Purpose
3. Format
4. Uses
5. Presentation

G. RECRUITMENT

1. Application letter
2. Cover letter
3. A curriculum Vitae
 - (a) Meaning
 - (b) Qualities
 - (c) Contents
4. Interviews
 - (a) Interview skills
 - (b) Preparation

H. BUSINESS REPUTATION

1. Meaning and building business reputation/ corporate image
2. Protection and maintenance of business reputation
3. Importance of business reputation

REFERENCES

1. Barney Erasmus, Gavier Tu Toit and Strydom Johan (2011), Introduction To Business Management (8th Ed) Oxford University Press
2. Guffey Mary Ellen and Loewy Dana (2012), Essentials of Business Communication (9th Ed), Cengage Learning.
3. Locker Kitty O. (2013), Business Communication: Building Critical Skills (6th Edition), McGraw- Hill/ Irwin.
4. Mclean Scott (2010), Business Communication For Success (1st Ed), Flat World Knowledge Inc.



BUSINESS MATHEMATICS & STATISTICS – PAPER 3

OVERALL AIM

To equip the learner with the basic mathematical and statistical techniques applicable in the business and organisational environment

LEARNING OUTCOMES

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

1. Solve business mathematical problems.
2. Use decision-making tools in planning and control of resources.
3. Use differential calculus to maximise outputs and minimise costs

LEVEL OF ASSESSMENT

The syllabus will assess knowledge, comprehension and application.

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

1. Basic Mathematics.
 - (a) Percentages and proportions
 - (b) Indices – Laws of indices and their application
 - (c) Formulae and substitution
 - (d) Equations:
 - (i) Linear
 - (ii) Quadratic
 - (iii) Simultaneous equations in two variables
2. Matrices.
 - (a) Definition and description of a matrix.
 - (b) Identification of data within a matrix.
 - (c) Addition, subtraction and multiplication of matrices.

- (d) Null, identity and inverse matrices.
- (e) Interpreting and solving word problems using matrices
- 3. Set Theory.
 - (a) The concept of a set and its elements – set notation, elements of a set, finite and infinite sets, equal sets, universal sets, the null set
 - (b) Subsets – number of subsets in a set
 - (c) Venn diagrams and their applications
 - (d) Set operations – complement of sets, intersection, and union
 - (e) Cardinality of sets – Number of elements in a set
- 4. Differential Calculus.
 - (a) The role of differential calculus
 - (b) Differentiation - 1st and 2nd derivatives, methods of differentiation (chain, product, and quotient rules)
(Exclude; 1st principles, exponential and logarithmic functions)
 - (c) Maximum and minimum points
 - (d) Application of the second derivative to maximum and minimum points
 - (e) Differential calculus - marginal cost, marginal revenue and the profit-maximising level of output
- 5. Mathematics of Finance
 - (a) Cash and trade discounts, commissions, mark-up and margins
 - (b) Simple interest
 - (c) Compound interest
 - (d) Present value and future value
 - (e) Effective interest rate
 - (f) Continuous compounding
 - (g) Annuities
 - (i) Sinking fund payments.
 - (ii) Present value of an annuity.
 - (iii) Amortisation.
 - (h) Depreciation Methods: straight line, reducing balance, revaluation, sinking fund, sum of digits, production units, and machine hours methods
- 6. Data Collection.
 - (a) Definition and types of data
 - (b) Sources of data
 - (c) Methods of data collection, merits and limitations of each method
 - (d) Sample and population
 - (e) Sampling techniques

7. Presentation of Data.
 - (a) Tabulation
 - (b) Frequency distributions
 - (c) Preparation, interpretation, usefulness and limitations of pictograms, pie charts, bar charts histograms, Ogives, Lorenz curve and Z charts

8. Measures of location/Central tendency.
 - (a) Arithmetic mean, geometric mean, harmonic mean, mode and median
 - (b) Characteristics, merits and limitations of each measure of location
 - (c) Estimating the mode and median graphically

9. Measures of Dispersion and Skewness
 - (a) Measures of dispersion - range, mean deviation, standard deviation, quartiles, deciles, percentiles and quartile deviation
 - (b) Skewness - measures of skewness
 - (c) Compare measures of dispersion, location and skewness

10. Probability Theory and Distribution.
 - (a) The concept of probability
 - (b) The basic rules of probability (mutually exclusive and independent events)
 - (c) Conditional probabilities
 - (d) Expected values
 - (e) Decision trees
 - (f) Probability distribution functions: Discrete and continuous random variables
 - (g) Permutations and combinations – introduction, meaning of permutation and combination, listing permutations and combinations, factorials, the combination formula, the permutation formula, permutations and probability, combinations and probability, difference between permutation and combinations.

11. Introduction to index numbers
 - (a) Uses and limitations of index numbers.
 - (b) Simple indices – price and quantity

REFERENCES

1. Andre Francis (2008), Business Mathematics and Statistics, South Western and Cengage Learning, 6th Edition.
2. Bali N. P, Gandhi C. P and Gupta P. N (2008), A Textbook of Quantitative Techniques, Lami Publications (Pty) Ltd.
3. Crawshaw J and Chambers J (2001), Advanced Level Statistics, Nelson Thornes Ltd, 4th Edition.
4. Lucey T (2002), Quantitative Techniques, Book power Publishers, 6th Edition.
5. Saleemi N.A (2010), Quantitative Techniques Simplified, Saleemi Publications Ltd.



PRINCIPLES OF LAW - PAPER 4

OVERALL AIM

To build a foundation in the general principles of law; including the nature of law, the administration of law in Uganda and an understanding of laws relating to persons, contracts, agency and employment.

LEARNING OUTCOMES

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

1. Define and classify laws
2. Explain the general principles of laws of Uganda
3. Identify and explain the sources of law in Uganda
4. Explain the legal system and the administration of law in Uganda
5. Explain the legal relationship between employers and employees
6. Discuss the laws governing contracts and persons

LEVEL OF ASSESSMENT

The examination will test knowledge, comprehension and application of law to real life case scenarios.

EXAMINATION STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

A. GENERAL PRINCIPLES OF LAW

1. Classification of law
 - (a) Criminal law
 - (b) Civil law
 - (c) Procedural law
 - (d) Substantive law

2. Sources of law in Uganda
 - (a) The constitution
 - (b) Legislation
 - (i) Direct legislation
 - (ii) Delegated/indirect legislation; validity and reasons for delegated/indirect legislation
 - (c) Common law and equity
 - (i) Origins, contributions and principles of equity
 - (ii) Conflict between common law and equity
 - (d) Customary law
 - (e) Case law
 - (i) The technique of precedent
 - (ii) Hierarchy of judicial authority
 - (iii) Advantages and disadvantages of case law
 - (iv) Distinction between common law and case law

3. The Court system in Uganda

The structure, composition, appointment and jurisdiction of courts in Uganda:

 - (a) Local council courts
 - (b) Magistrate's courts
 - (c) High court and its divisions
 - (d) Court of appeal/ constitutional court
 - (e) Supreme court

B. THE LAW OF TORTS

1. Definition
2. Distinction between tort and contract; tort and crime
3. Elements of torts:
 - (a) Legal damage
 - (b) Injuria sine damnum
 - (c) Damnum sine injuria: ordinary trade competition, lawful use of one's property
4. Malice in torts.
 - (a) Malicious prosecution
 - (b) Malicious falsehood
5. Capacity of parties to sue and be sued
 - (a) The government
 - (b) Foreign sovereigns and diplomats
 - (c) Corporations

- (d) Trade unions
 - (e) Married women
 - (f) Infants and minors
 - (g) Liability of parents
 - (h) Judges and magistrates
 - (i) Persons of unsound mind
6. General defences in torts
- (a) Volenti non fit injuria
 - (b) Necessity
 - (c) Inevitable accident
 - (d) Act of God
 - (e) Statutory authority
 - (f) Mistake
7. Joint tortfeasors
- (a) Agency
 - (b) Joint action
 - (c) Vicarious liability
 - (i) Basis
 - (ii) Definition of servant
 - (iii) Independent contractor; exceptions to the defence
8. Limitation/survival of actions
9. Trespass
- (a) Trespass to persons (assault, battery; defences available); false imprisonment/imprisonment without knowledge
 - (b) Trespass to land (continuing trespass, trespass ab initio, remedies and defences)
 - (c) Trespass to goods (elements, trespass to chattels or goods, conversion, things found on land, distinction between trespass and conversion, who can sue, remedies)
10. Negligence
- (a) Definition
 - (b) Elements of negligence
 - (c) Standard of care
 - (d) Duty of care
 - (e) Contributory negligence
 - (f) Liability to children
 - (g) Negligent misstatement
11. Nuisance
- (a) Public nuisance
 - (b) Private nuisance
 - (c) Malice

- (d) Who can sue
- (e) Remedies and defences

C. THE LAW OF CONTRACT

1. Definition
2. Elements of a valid contract
3. Types of contracts
 - (a) Contract of record
 - (b) Contract under deed
 - (c) Simple contract
4. Contracts that must be in writing
5. Contracts that must be supported by written evidence
6. Doctrine of part performance: conditions that must be satisfied
7. Valid, voidable and void contracts
8. Intention to create legal relations
9. Commercial agreements
10. Offer
 - (a) Rules of offer
 - (b) Distinction from invitation to treat; declaration of an intention; supply of information
 - (c) Rules of revocation of an offer
 - (d) Tenders of standing offers
11. Acceptance
 - (a) Modes of acceptance
 - (b) Acceptance by post
 - (c) Exceptions to the communication of acceptance by post
 - (d) Acceptance subject to contract
 - (e) Agreement to agree in future
 - (f) Provisional agreements
12. Consideration and privity
 - (a) Definition and nature
 - (b) Rules of consideration
 - (c) Exceptions to the rule that past consideration is not consideration
 - (d) Exceptions to the rule that consideration must move from the promisee
 - (e) Exceptions to the rule that consideration must be in excess of an existing obligation
13. Equitable estoppel
 - (a) Defence of equitable estoppel
 - (b) Accord and satisfaction

14. Contractual capacity
 - (a) Contracts with infants or minors
 - (i) Binding contracts
 - (ii) Executory contracts
 - (iii) Beneficial contracts
 - (iv) Trading contracts
 - (v) Voidable contracts
 - (vi) Unenforceable contracts
 - (vii) Liability in torts
 - (viii) Recovery against an infant or minor
 - (ix) Recovery against a third party
 - (b) Contracts with insane or drunken persons
 - (c) Contracts with corporations
 - (d) Contracts with married women
15. Terms of contract: conditions, warranties
16. Exemption clauses
17. Illegal contracts: against public policy; prohibited by law
18. Contracts in restraint of trade
19. Effect of illegality of contract
20. Reality of contracts
 - (a) Mistake
 - (i) Plea of non est factum
 - (ii) Equitable remedies for mistake
 - (b) Misrepresentation
 - (i) Elements of misrepresentation
 - (ii) Remedies for fraudulent misrepresentation
 - (iii) Innocent misrepresentation
 - (iv) Disclosure of material facts
 - (c) Contracts uberrimae fidei
 - (d) Undue influence
 - (e) Duress
21. Assignment of contractual rights
 - (a) Ways of assignment
 - (b) Transfer of liabilities under contract
 - (c) Quasi-contracts and claims thereunder
22. Discharge of contract by:
 - (a) Performance
 - (b) Agreement
 - (c) Breach
 - (d) Impossibility or frustration
 - (e) Lapse of time

- (f) Operation of law
- 23. Remedies for breach of contract
 - (a) Refusal of further performance
 - (b) Action for damages
 - (c) Action for specific performance
 - (d) Action for injunction
 - (e) Quantum meruit

D. THE LAW OF AGENCY

- 1. Meaning, nature and purpose of agency
- 2. Creation of principal/ agency relationship by:
 - (a) Agreement
 - (b) Implication or by conduct
 - (c) Necessity
 - (d) Ratification
- 3. Rights and duties of an agent
- 4. Personal liability of an agent to third parties
- 5. Duties of a principal including an undisclosed principal
- 6. Types of agents:
 - (a) Universal
 - (b) General
 - (c) Special
 - (d) Factor
 - (e) Broker
 - (f) Del credere
 - (g) Auctioneer
- 7. Termination of agency by:
 - (a) Agreement
 - (b) Renunciation
 - (c) Revocation
 - (d) Performance
 - (e) Expiration of the fixed period
 - (f) Death or insanity of either party
 - (g) Bankruptcy of the principal
 - (h) Destruction of subject matter
 - (i) Subsequent illegality

E. EMPLOYMENT LAW

1. Reference to be made to the Employment Act, No. 6 of 2006, Laws of Uganda
2. The nature of the employment contract
3. Rights and duties of parties to an employment contract
4. Discrimination in employment
5. Termination of contract of employment and dismissal
 - (a) Unfair reasons for termination
 - (b) Summary dismissal
 - (c) Remedies for breach of contract of employment

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ECONOMICS - PAPER 5

OVERALL AIM

To equip the learner with knowledge on how the economy functions and suggest practical solutions to the economic problems.

LEARNING OUTCOMES

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

1. Explain the nature and scope of economics
2. Identify economic problems of allocating scarce resources
3. Describe major economic theories and models
4. Explain the relevance of various economic theories to the nation
5. Explain the determination of prices in various market settings for inputs and outputs
6. Identify and describe the different types of economic systems
7. Demonstrate an understanding of Uganda's monetary and fiscal system
8. Identify and explain the macroeconomic issues affecting economies
9. Explain the main features of the Ugandan economy
10. Explain the basic features of international economics
11. Identify and explain appropriate strategies for development of Uganda's economy

LEVEL OF ASSESSMENT

The examination will mainly test knowledge and comprehension.

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

A. INTRODUCTION

1. Definition
2. Basic concepts
3. Nature and scope
4. Alternative economic systems
5. Classification of goods

B. PRICE THEORY

1. Concepts of demand and supply
2. Determination of equilibrium price
3. Elasticity and its applications
4. Consumer behaviour; utility theory and indifference curve analysis
5. Price
 - (a) Types of prices
 - (b) Determination of prices
6. Price mechanism; role and limitations
7. Government intervention in price determination
8. Applications of price theory

C. PRODUCTION

1. Meaning and purposes
2. Types of production and stages
3. Factors of production and their importance
4. Mobility of factors of production
5. Specialisation: merits and limitations
6. Theory of the firm
7. Law of diminishing returns
8. Concept of output
9. Costs of production
10. Economies and diseconomies of scale
11. Existence of small firms
12. Costs and revenue
13. Market structures:
 - (a) Perfect and imperfect competition
 - (b) Price discrimination
 - (c) Price and output decisions
 - (d) Merits and demerits of each type of market

D. NATIONAL INCOME

1. Definition
2. Concepts of national income
3. Estimation of national income
 - (a) Approaches
 - (b) Uses
 - (c) Problems and limitations
4. The circular flow of income and expenditure
5. Determinants of national income
6. Application of national income statistics
7. Income inequality and distribution
8. Standard of living and per capita income
9. Cost of living index
10. Determination of equilibrium in an economy
11. Disequilibrium in the economy; deflationary and inflationary gaps
12. Savings and investments
13. Multipliers and accelerators

E. MONEY AND BANKING

1. Money
 - (a) Meaning and evolution
 - (b) Qualities of good money and its functions
 - (c) Theories of demand and supply of money
 - (d) Barter trade: merits and demerits
 - (e) Concept of a monetary economy
 - (f) Role of money in development
 - (g) Demerits of using money
2. Banking
 - (a) Definition
 - (b) Commercial banks
 - (i) Role in the development process
 - (ii) Functions
 - (iii) Problems
 - (c) Credit creation
 - (i) Meaning
 - (ii) Assumptions
 - (iii) Process
 - (iv) Limitations

- (d) Non-banking financial intermediaries
 - (i) Meaning
 - (ii) Role
- (e) Concept of liquidity and profitability
 - (a) The Central Bank
 - (i) Definition,
 - (ii) Role and functions in the development process
 - (b) Monetary policy
 - (i) Definition
 - (ii) Objectives
 - (iii) Tools
 - (iv) Limitations to its operations in developing nations
 - (c) Bank regulation and supervision
 - (i) The Financial Institutions Act 2004
 - (ii) The Bank of Uganda Act, Cap 51
 - (iii) The micro finance deposit-taking institutions Act, 2003.

F. PUBLIC FINANCE AND FISCAL POLICY

1. Definition
2. Role of public finance in development
Branches of public finance:
 - (a) Public revenue
 - (b) Public expenditure
 - (c) Public debt
 - (d) Financial administration and fiscal policy
3. Sources of finance
4. Taxation:
 - (a) Structure
 - (b) Classification
 - (c) Principles/ characteristics
 - (d) Impact and incidence
 - (e) Merits and demerits
5. Public expenditure:
 - (a) Types
 - (b) Need for state spending
 - (c) Impact on development
6. Budgeting:
 - (a) Definition of budget
 - (b) Types and need for each type
 - (c) The budget process

- (d) Budget as instrument for social and economic development
- 7. Public debt:
 - (a) Classification
 - (b) Sources
 - (c) Importance and limitations
- 8. Deficit financing
- 9. Debt financing versus taxation financing
- 10. Fiscal policy:
 - (a) Tools
 - (b) Objectives

G. INFLATION

1. Definition
2. Types, causes and effects of each type
3. Theories of inflation
4. Causes and effect of inflation in Uganda
5. Policies used to control inflation in Uganda
6. Deflation, stagflation and reflation

H. POPULATION AND LABOUR ECONOMICS

1. Population
 - (a) Theories of population
 - (b) Population changes and effects on the economy
 - (c) Policies of population control
 - (d) Concepts of under, optimal and over population
2. Labour
 - (a) Structure of labour force
 - (b) Labour and labour force
 - (c) Determinants of labour force in an economy
 - (d) Characteristics of labour force in developing countries
 - (e) Efficiency of labour and productivity of labour
 - (f) Factors which influence productivity/ efficiency of labour
 - (g) Demand for labour and supply of labour
 - (h) Factors that determine demand for labour and supply of labour
3. Wage theories
 - (a) Systems/ methods of paying workers
 - (b) Merits and demerits of each system
 - (c) Theories of wage payment
 - (d) Arguments for and against each theory
 - (e) Causes of wage differentials

- (f) Effects of wage differential
- (g) Trade unions and their activities

I. UNEMPLOYMENT

1. Definition
2. Nature and types
3. Causes of each type of unemployment and solutions
4. Causes of unemployment in Uganda
5. Solutions to the unemployment problem in Uganda
6. Effects of unemployment on the development of an economy

J. INTERNATIONAL TRADE

1. Definition
2. Role of international trade in development
3. Laws of comparative advantage and absolute advantage
4. Terms of trade:
 - (a) Meaning
 - (b) Causes of poor terms of trade and how to improve
5. Balance of payments:
 - (a) Components
 - (b) Causes of balance of payments deficits
 - (c) Effects and adjustments of balance of payments problems
6. Commercial policy; free trade versus protectionism
7. Concepts of devaluation and revaluation
8. Regional economic integration e.g. East African Community (EAC), Northern Corridor Integration Projects (NCIP), Inter Governmental Authority for Development (IGAD) and Common Market for Eastern and Southern Africa (COMESA)
 - (a) Origin
 - (b) Aims
 - (c) Stages
 - (d) Successful implementation
 - (e) Benefits
 - (f) Achievements
 - (g) Shortcomings
9. Foreign aid
 - (a) Meaning
 - (b) Forms
 - (c) Importance

- (d) Problems
- 10. Foreign exchange:
 - (a) Meaning
 - (b) Sources
 - (c) Scarcity
 - (d) Reserves
 - (e) Rates
 - (f) Types; merits and demerits of each type of exchange rate
- 11. Institutions and agreements in international trade
 - (a) Aims of:
 - (i) General Agreement on Tariffs and Trade (GATT)
 - (ii) International Bank for Reconstruction and Development (IBRD)
 - (iii) International Monetary Fund (IMF)
 - (iv) World Trade Organisation (WTO)
 - (v) United Nations Conference on Trade and Development (UNCTAD)
 - (b) Explain the achievements and failures of the above institutions

K. ECONOMIC GROWTH AND DEVELOPMENT

1. Definitions
2. Growth versus development
3. Stages of growth
4. Theories of growth and development
5. Characteristics of developing countries
6. Indicators of growth and development
7. Development strategies:
 - (a) Import substitution versus export promotion
 - (b) State intervention versus free enterprise
 - (c) Balanced versus unbalanced
 - (d) Agriculture versus industry

L. ECONOMIC DEVELOPMENT PLANNING

1. Meaning
2. Types of plans; merits and demerits of each
3. Elements of a development plan
4. Elements of a plan strategy
5. Planning process
6. Importance of economic planning

7. Characteristics of a good plan
8. Conditions necessary for effective planning
9. Implementation of development plans
10. Why plans fail

M. THE STRUCTURE OF UGANDA'S ECONOMY

1. Salient features of Uganda's economy
2. Implications of the structure of Uganda's economy
3. Concept of dualism
4. The structure of the agricultural sector in Uganda
 - (a) Effects of such a structure on the economy
 - (b) Ways of how such a structure can be changed
 - (c) Causes of poor performance of the agricultural sector
 - (d) Solutions to the problems of the agricultural sector in Uganda
5. The structure of the industrial sector in Uganda
 - (a) Effects of such a structure on the economy
 - (b) Ways of how such a structure can be changed
 - (c) Causes of poor performance of the industrial sector
 - (d) Solutions to the problems of the industrial sector in Uganda
6. Subsistence and monetary sectors
 - (a) Definitions
 - (b) Characteristics
 - (c) Merits and demerits of monetary and subsistence sectors
7. Imports versus exports
 - (a) Structure of Uganda exports and imports
 - (b) Effects of such a structure on Uganda's economy
 - (c) Ways of improving such a structure
8. Ownership of business organisations
 - (a) Private sector versus public sector enterprises
 - (b) Businesses under the private sector
 - (i) Sole proprietorships
 - (ii) Partnerships
 - (iii) Joint stock companies
 - (c) Businesses under the public sector
 - (i) Parastatals
 - (ii) Public corporations
 - (d) Features of the different business organisations; advantages and disadvantages of each type
 - (e) Advantages and disadvantages of private ownership and public/ state/ government ownership of business enterprises

- (f) Justification for private and government ownership of business enterprises
- (g) Problems faced by private and public/ state enterprises
- 9. The privatisation process
 - (a) Definition of privatisation
 - (b) Forms of privatisation
 - (c) Reasons for privatisation
 - (d) Problems encountered in the privatisation process
 - (e) Merits and demerits of privatisation
- 10. Economic dependence
 - (a) Forms of economic dependence
 - (b) Effects of economic dependence
 - (c) Means of minimising economic dependence

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LEVEL 2

INTRODUCTION TO MANAGEMENT ACCOUNTING – PAPER 6

OVERALL AIM

To equip the learner with the basic knowledge of cost and management accounting

LEARNING OUTCOMES

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

1. Identify elements of costs
2. Allocate and evaluate costs
3. Calculate, determine and explain variances
4. Calculate product costs under different methods of management accounting
5. Identify relevant costs for decision-making
6. Explain the roles of cost and management accounting
7. Identify and explain the ethical responsibilities of a Management Accountant
8. Identify and describe the principles of budgeting and prepare budgets

LEVEL OF ASSESSMENT

This syllabus is designed to introduce the learner to cost and management accounting concepts

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four

DETAILED SYLLABUS

A. INTRODUCTION

1. Definitions of cost, management and financial accounting
2. The role of the management accountant

3. Concept of cost and cost centres
4. Objectives of cost and management accounting
5. Cost control

B. CLASSIFICATION OF COSTS

1. Classification of costs by
 - (a) Element of cost (materials, labour and expenses/overheads)
 - (b) Nature of cost (direct or indirect)
 - (c) Behaviour of costs (fixed, variable, semi-variable or stepped)
 - (d) Function of cost (production or non-production costs)
2. The need for classifying costs
3. Objectives and methods of cost classification:
 - (a) Stock valuation:
 - (i) Period and product cost
 - (ii) Elements of manufacturing costs (direct materials, indirect materials and prime cost)
 - (b) Costs for decision-making:
 - (i) Cost behaviour (variable and fixed costs)
 - (ii) Relevant and irrelevant costs
 - (iii) Avoidable and unavoidable costs
 - (iv) Sunk costs
 - (v) Opportunity costs
 - (vi) Marginal and incremental costs
 - (c) Costs for control
 - (i) Controllable and uncontrollable costs
 - (ii) Cost behaviour

C. MATERIAL COSTING

1. Meaning and components of material cost
2. Materials control
 - (a) Objectives
 - (b) Procedures
 - (i) Purchasing
 - (ii) Issuance of materials from store
 - (iii) Storage
3. Inventory records:
 - (a) Bin card
 - (b) Stores ledger card
4. Types, merits and demerits of stores management systems:
 - (a) Centralised

- (b) Decentralised
- (c) Imprest
- 5. Documents used in materials control:
 - (a) Materials requisition note
 - (b) Bill of materials
 - (c) Goods received note
 - (d) Delivery note
 - (e) Materials returned note
 - (f) Materials transfer note
- 6. Techniques of inventory control:
 - (a) Economic order quantity
 - (b) Control level
 - (c) Just in time
 - (d) ABC analysis
 - (e) Inventory (stock) turnover ratio
- 7. Types, merits and demerits of the inventory counting (stocktaking) methods:
 - (a) Continuous inventory counting
 - (b) Periodic inventory counting
- 8. Perpetual inventory control system
- 9. Methods of inventory valuation and their applications:
 - (a) First in first out
 - (b) Last in first out
 - (c) Weighted average
- 10. Advantages and disadvantages of each method of inventory valuation
- 11. Accounting treatment for material losses

D. LABOUR COSTING

1. Meaning of labour costs
2. Procedures followed in controlling labour costs
3. Labour turnover
 - (a) Meaning
 - (b) Causes
 - (c) Effects
 - (d) Costs
4. Job evaluation versus job analysis
5. Merit rating: merits and demerits
6. Payroll accounting
 - (a) Meaning
 - (b) Comparison with labour cost accounting

- (c) Functions and responsibilities of the payroll function
- 7. Determination of gross wages:
 - (a) Clock and time cards
 - (b) Piece work cards
 - (c) Employee record card
 - (d) Job card
- 8. Fraud in the payroll department and how to overcome it
- 9. Concepts of idle time, idle capacity, overtime and their treatment
- 10. Methods of labour remuneration:
 - (a) Time rate system
 - (b) Piece rate method
 - (c) Premium and bonus plans
- 11. Advantages and disadvantages of each method
- 12. Principles of a good incentive scheme
- 13. Incentive schemes:
 - (a) Halsey premium plan
 - (b) Rowan plan group bonus scheme
 - (c) Merits and demerits of each scheme

E. OVERHEAD COSTING

- 1. Meaning of overheads
- 2. Ways of overhead classification
- 3. Methods of semi-variable overhead segregation:
 - (a) High-low method
 - (b) Scatter diagram
 - (c) Least squares regression method
 - (d) Simultaneous equations
- 4. Allocation and apportionment of overheads
- 5. Re-apportionment of service department overheads to production departments:-
 - (a) Simultaneous equation method
 - (b) Repeated distribution method
 - (c) Elimination/step method
- 6. Overhead absorption
 - (a) Determination of overhead absorption rates
 - (i) Actual overhead rate
 - (ii) Predetermined overhead rate
 - (iii) Blanket and departmental overhead rates
 - (b) Methods of overhead recovery:-
 - (i) Direct material cost

- (ii) Direct wages
 - (iii) Prime cost
 - (iv) Direct labour hour
 - (v) Machine hour rate
 - (vi) Rate per unit of output
 - (vii) Sales price
 - (c) Accounting treatment of under/over recovery of overheads
 - (d) Causes of under/ over absorption of overheads
8. Meaning and determination of capacity levels:
- (a) Idle capacity
 - (b) Normal capacity
 - (c) Actual capacity
 - (d) Practical capacity
 - (e) Maximum capacity
 - (f) Capacity based on expected sales

F. COST ACCOUNTS- BOOK KEEPING

1. Meaning of integrated and interlocking cost accounting systems
2. Advantages and disadvantages of each system
3. Principal accounts maintained under each system
4. Reconciliation of profits under the two systems

G. SPECIFIC ORDER COSTING METHODS

1. Job costing
 - (a) Meaning
 - (b) Features
 - (c) Procedures
 - (d) Determination of the cost of a job
2. Batch costing
 - (a) Meaning
 - (b) Procedures
 - (c) Determination the cost of a batch
3. Contract costing
 - (a) Meaning
 - (b) Features
 - (c) Procedures
 - (d) Preparation of contract accounts
 - (e) Determination of profit/loss on contracts

H. PROCESS COSTING

1. Process costs
 - (a) Meaning
 - (b) Features
 - (c) Specific order costing versus process costing
 - (d) Preparation of process accounts
 - (e) Concepts of normal and abnormal losses or gains
 - (f) Accounting treatment of normal and abnormal losses or gains
 - (g) Work-in-progress
 - (i) Equivalent units
 - (ii) Determination of equivalent units
 - (iii) Preparation of appropriate statements
2. Joint products
 - (a) Meaning
 - (b) Methods of apportionment of joint costs:
 - (i) Average unit cost
 - (ii) Contribution
 - (iii) Physical unit
 - (iv) Survey
 - (v) Market value
3. By-products
 - (a) Meaning
 - (b) Classification
 - (c) By-products, main product and joint products
 - (d) Methods of accounting for by-products:
 - (i) Cost methods
 - (ii) Non-cost methods

I. ABSORPTION VERSUS MARGINAL COSTING

1. Meaning of marginal and absorption costing
2. Marginal costing versus absorption costing
3. Merits and demerits of each method
4. Impact of each method on the profit
5. Accountant's model versus economist's model of costing
6. Linear costs and revenue functions in the accountant's model
7. Determination, interpretation and construction of graphs for:
 - (a) Breakeven point
 - (b) Contribution
 - (c) Profit-volume

- (d) Margin of safety
 - (e) Angle of incidence
8. Preparation of cost-volume-profit statements

J. MEASUREMENT OF RELEVANT AND IRRELEVANT COSTS

1. Concept of decision making
2. Meaning of relevant costs and irrelevant costs
3. Steps in decision making
4. Limiting factors for decision making
5. Relevant costs versus irrelevant costs for decision making
6. Preparation of statements of relevant costs and irrelevant costs under different decision scenarios:
 - (a) Determination of sales mix
 - (b) Discontinuation of a product line
 - (c) Make or buy
 - (d) Shut down or continue
 - (e) Equipment replacement
 - (f) Expand or contract
 - (g) Investment in asset
7. Evaluation of performance and interpretation of information to management

K. ACTIVITY-BASED COSTING (ABC)

1. Meaning
2. ABC versus traditional costing systems
3. Merits and demerits of ABC
4. Classification of activities
5. Selection the cost drivers
6. Evaluation of the validity of different cost drivers
7. Determination of product costs using ABC

L. BUDGETING AND BUDGETARY CONTROL

1. Meaning of budget, control and budgetary control
2. Advantages and disadvantages of budgets and budgetary control
3. Organisational and behavioural aspects of budgeting
4. Stages in the budgeting process
5. Limiting factors in budgeting
6. Types of budgets:

- (a) Functional budgets
 - (b) Flexible and fixed budgets
 - (c) Master budget
 - (d) Basic and current budgets
 - (e) Short-term and long-term budgets
 - (f) Preparation of each of the above budgets
7. Zero-based budgeting (ZBB)
 - (a) Meaning
 - (b) Merits and demerits
 8. Computation of control ratios:
 - (a) Capacity
 - (b) Efficiency
 - (c) Activity

M. STANDARD COSTING AND VARIANCE ANALYSIS

1. Meaning of standard costing and standard costs
2. Standard costing versus budgetary control; standard costs versus budgeted costs
3. Advantages and disadvantages of standard costing
4. Steps for setting standards for standard costs
 - (a) Establishment of cost centres
 - (b) Classification and codification of accounts
 - (c) Types of cost standards:-
 - (i) Basic cost standards
 - (ii) Ideal cost standards
 - (iii) Currently attainable standard costs
 - (d) Establishing cost standards
 - (i) Direct materials standards
 - (ii) Direct labour standards
 - (iii) Overhead standards
 - (e) Ascertainment of desirable levels of attainment
 - (f) Ascertainment of activity levels
 - (g) Preparation of standard cost statements
5. Variance analyses
 - (a) Meaning
 - (b) Computation of variances for each element of cost
6. Sales variances
7. Variances
 - (a) Causes

- (b) Responsibility for variances
 - (c) Control
8. Preparation of operating statements:
- (a) Reconciliation of actual with budgeted profits
 - (b) Preparation of performance report

N. ROLES AND ETHICAL RESPONSIBILITIES OF A MANAGEMENT ACCOUNTANT

The ethical responsibilities and challenges of management accountants in business.

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LAW OF BUSINESS ASSOCIATIONS – PAPER 7

OVERALL AIM

To broaden the learner's knowledge by introducing them to the laws governing partnerships, companies and negotiable instruments

LEARNING OUTCOMES

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

1. Demonstrate an understanding of the laws governing partnerships, companies and negotiable instruments
2. Describe how companies are formed
3. Explain the financing and membership of a company
4. Discuss the roles and responsibilities of the officers of a company
5. Explain the various legal forms of insolvency

LEVEL OF ASSESSMENT

The examination will test knowledge, comprehension and application of law to different business associations and use of negotiable instruments.

EXAMINATIONS STRUCTURE

There will be a three hour examination made up sections A and B. Section A will comprise of 20 compulsory multiple-choice questions of 20 marks. Section B will comprise of five questions of 20 marks each, of which the candidate will be required to attempt any four

DETAILED SYLLABUS

A. THE LAW OF PARTNERSHIPS

1. Meaning of partnerships
2. Formation of partnership; contents of partnership deed
3. Types of partnerships
4. Membership of a partnership; illegal partnerships
5. Relationship of partners
6. Rights and duties and of partners

7. Duties of partners to third parties
 - (a) Power to bind the firm
 - (b) Implied authority of partners
 - (c) Liability of partners
 - (d) Liability for breach of contract
 - (e) Liability of the firm for torts
8. Liabilities of incoming and outgoing partners
9. Dissolution of partnership

B. NEGOTIABLE INSTRUMENTS

1. Meaning and characteristics of negotiable instruments
2. Types of negotiable instruments
 - (a) Cheques:
 - (i) Meaning
 - (ii) Nature
 - (iii) Types
 - (iv) Parties to a cheque; their rights and obligations
 - (v) Cheque crossings and endorsements
 - (vi) Dishonour and discharge
 - (vii) Forgeries
 - (b) Bills of exchange:
 - (i) Meaning
 - (ii) Nature
 - (iii) Types
 - (iv) Parties to a bill of exchange; their rights and obligations
 - (v) Acceptance
 - (vi) Negotiation
 - (vii) Endorsement
 - (viii) Dishonour
 - (ix) Discharge
 - (x) Forgeries

C. INCORPORATION AND CLASSIFICATION OF COMPANIES

1. Meaning of a company
2. Classification and distinction of companies
 - (a) Incorporated company versus unincorporated associations
 - (b) Discriminate between chartered companies, statutory companies, registered companies, company limited by guarantee, unlimited company, company limited by shares, private and public company

3. Incorporation
 - (a) The concept of separate legal entity
 - (b) Nature and consequences of incorporation; lifting the veil of incorporation

D. PROMOTION AND FORMATION OF COMPANIES

1. Promoters:
 - (a) Meaning
 - (b) Duties
 - (c) Remuneration
 - (d) Pre-incorporation contracts
2. Formation of a company:
 - (a) Types of companies
 - (b) Procedure of registration of a company
 - (i) Certificate of incorporation
 - (ii) Filing of memorandum of association, articles of association, statement of the company's nominal capital, statutory declaration, list of persons who have consented to become directors, written undertaking to take and pay for qualification shares
 - (c) Effect of registration
 - (d) Commencement of business; restrictions to commencement of business

E. MEMBERSHIP

1. What constitutes membership: subscription to the memorandum; agreement and registration
2. Eligibility for membership; termination of membership; register of members
3. Annual return: contents; documents to be annexed; annual return of company with no share capital; annual return of private company
4. Rights of members

F. THE MEMORANDUM OF ASSOCIATION

1. Meaning
2. Contents
 - (a) Name
 - (b) Registered office

- (c) Object(s): the doctrine of ultra vires and application of the doctrine; extension of the doctrine and who may invoke the doctrine; exceptions to the doctrine; substratum of a company; powers of the company under the memorandum of association in addition to the object(s); alteration of the object(s)
- (d) Limitation of liability
- (e) Capital clause
- (f) Association clause and subscription

G. THE ARTICLES OF ASSOCIATION

1. Meaning
2. Contents
3. Conflict between the memorandum and articles of association
4. The contractual effect of the memorandum and articles of association
5. Alteration of the articles of association and restriction to alteration

H. PROSPECTUS

1. Meaning
2. Form and contents
3. Reports to be set out in prospectus; reports of experts in prospectus
4. Prospectus and duty of disclosure; effect of non-disclosure
5. Civil and criminal liabilities under the prospectus and remedies
6. Issue of shares to the public: public issue by prospectus; offer for sale; placings
7. Statements in lieu of prospectus
8. Stock exchange requirements
9. Underwriting; brokerage and provision of financial assistance

I. SHARES AND SHARE CAPITAL

1. Meaning
2. Numbering of shares
3. Allotment of shares: requirements of allotment, withdrawal of application, irregular allotment, return of allotment
4. Share certificate and estoppel:
 - (a) Loss of share certificate
 - (b) Forged transfer
 - (c) Impersonation of shareholders
 - (d) Share warrants and option to surrender share warrant

5. Transfer of shares:
 - (a) Procedure of transfer
 - (b) Certification of transfer
 - (c) Terms implied between seller and purchaser
 - (d) Transfer prior to registration
 - (e) Notice of transfer
 - (f) Blank transfers
 - (g) Restrictions on transfer
6. Transmission of shares
7. Mortgage of shares
8. Calls on shares
9. Lien on shares
10. Forfeiture and surrender of shares
11. Conversion of shares into stock
12. The register of members
13. Annual return
14. Share capital:
 - (a) Meaning
 - (b) Types
 - (i) Nominal capital
 - (ii) Issued capital
 - (iii) Paid up capital
 - (iv) Reserve capital
 - (c) Classes:
 - (i) Ordinary
 - (ii) Founders' or deferred shares
 - (iii) Preference; redeemable preference shares
15. Issue of shares
 - (a) At a premium
 - (b) At a discount
16. Prohibition of financial assistance
17. Shares of no par value
18. Alteration of capital
19. Reduction of capital: requirements; liabilities and limitations
20. Variation of shareholders' rights
21. Acquisition by company of its own shares

J. DEBENTURES AND BORROWING

1. Authority to borrow; ultra vires borrowing
2. Meaning of debenture

3. Debentures and debenture stock
4. Shares versus debentures
5. Types of debentures
6. Charges; priority of charges; registration of charges
7. Trust deed; liability of trustees
8. Issues and reissues of debentures; remedies of debenture holders
9. Appointment of receiver; notice of appointment; position and remuneration of receiver

K. MEETINGS AND RESOLUTIONS

1. Statutory meeting
2. Annual general meeting:
 - (a) Default in holding the meeting
 - (b) Ordinary business at meeting
3. Extra-ordinary general meeting
4. Notices of meetings:
 - (a) Length of notice
 - (b) Service of notice
 - (c) Nature of notice
5. Circulation of members' resolutions
6. Proceedings at meetings:
 - (a) Quorum
 - (b) Chairman
 - (c) Resolutions and amendments to resolutions
 - (d) Voting and proxies
 - (e) Company representative
 - (f) Adjournment
 - (g) Minutes
7. Class meetings; rights of minority

L. DIRECTORS AND SECRETARY

1. Directors:
 - (a) Directors as agents and trustees
 - (b) Appointment
 - (c) Publicity requirements
 - (d) Termination of directorship
 - (i) By resignation
 - (ii) By retirement
 - (iii) By removal

- (e) Remuneration
 - (f) Powers; delegation of powers;
 - (g) Managing director and remuneration
 - (h) Loans and disclosure of loans and other interests
2. Secretary:
 - (a) Appointment
 - (b) Change of secretary
 - (c) Removal by company
 - (d) Position and duties
 - (e) Company's liability for secretary's acts
 - (f) Negligence
 - (g) Loans to secretary
 3. Register of directors and secretaries
 4. Register of directors' shareholdings

M. ACCOUNTS AND COMPANY AUDITORS

1. Accounts:
 - (a) Types, contents and particulars
 - (b) Group accounts
 - (c) Directors' responsibilities and report
2. Auditors:
 - (a) Appointment
 - (b) Qualification and position of the auditor
 - (c) Rights and duties
 - (d) Removal from office
 - (e) Contents of auditors' report
 - (f) Resignation
 - (g) Remuneration
 - (h) Liability (negligence under the common law; civil and criminal liability)

N. DIVIDENDS

1. Declaration and payment
2. Unlawful distributions
3. Capitalisation of profits

O. MAJORITY RULE, MINORITY PROTECTION AND INVESTIGATIONS

1. The rule in Foss v Harbottle

2. Action by shareholders
3. Statutory protection of the minority
4. Company investigations and inspections

P. CORPORATE INSOLVENCY

1. Winding up/ liquidation
 - (a) Types
 - (b) Grounds
 - (c) Petitioners
 - (d) Procedure
 - (e) Commencement and consequences
 - (f) Distribution of property
 - (g) Completion
2. The Liquidator
 - (a) Appointment and removal
 - (b) Remuneration
 - (c) Control over liquidator
 - (d) Powers and duties
 - (e) Liability
 - (f) Release

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3. Hussain Ashiq (2010), General Principles and Commercial Law of Kenya East African Educational Publishers Ltd, Nairobi, Kenya.
4. Ogola John Joseph (2011), Business Law, Focus Publications Ltd, Nairobi, Kenya.



INFORMATION SYSTEMS – PAPER 8

OVERALL AIM

To enable the learner understand computer hardware, software and information systems both theoretically and practically

LEARNING OUTCOMES

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

1. Identify and describe computer systems, information technology and ergonomics
2. Explain the relevance of computer software to business
3. Demonstrate an understanding and usage of computer networks
4. Communicate using computer facilities
5. Demonstrate an understanding of different types of information systems
6. Use a computer in business and social environment

LEVEL OF ASSESSMENT

The examination will assess students' comprehension and application of business and information systems knowledge and skills

EXAMINATIONS STRUCTURE

Paper 8 (I)

There will be a two hours and 15 minutes examination made up of sections A and B. Section A will comprise of ten multiple choice questions carrying 10 marks. Section B will comprise of four questions of 20 marks each, of which the candidate will be required to attempt any three.

Paper 8 (II)

There will be a one hour and 15 minutes practical examination of 30 marks

DETAILED SYLLABUS

PAPER 8 (I)

A. INTRODUCTION TO COMPUTER SYSTEMS, INFORMATION TECHNOLOGY AND ERGONOMICS

1. Introduction
 - (a) History of computers
 - (b) The future of computers
 - (c) Computer generations and classification
2. Computer system:
 - (a) Meaning
 - (b) Types of computers
 - (c) Types of data/ Information processing
 - (d) Caring for computers
 - (e) Data and computer security and risks
 - (f) Ergonomics (physical health and mental health)
 - (g) (Computer ethics
3. Information Technology
 - (a) Meaning
 - (b) Manual versus computerised systems
 - (c) Limitations of using computers
 - (d) Applications
 - (e) Social impact of computers and information technology

B. COMPUTER HARDWARE

1. Meaning
2. Hardware components of a computer:
 - (a) System unit and components
 - (b) Input and output devices
 - (c) Storage devices
3. Uninterrupted power supply
4. Ports and cables

C. COMPUTER SOFTWARE

1. Meaning
2. Types
 - (a) System software

- (i) Operating systems
 - (ii) Utilities
 - (iii) Device drivers
 - (iv) Programming languages
 - (b) Application software
 - (i) Off-the-shelf / general-purpose
 - (ii) Customised/bespoke
 - (iii) Advantages and disadvantages of application software
3. Software suites

D. USING THE COMPUTER

1. Understanding how to use a computer; booting the computer
2. User interface
 - (a) Types
 - (b) Windows environment
3. Desktop components:
 - (a) Quick launch toolbar
 - (b) Taskbar
 - (c) Icons
 - (d) Start button and menu
 - (e) My computer
 - (f) Task manager
 - (g) Recycle bin
4. File Management
 - (a) Files and folders; creating a new folder
 - (b) Copy/ move files from one folder to another
 - (c) Drag and drop files
 - (d) Create different file types with varying extensions
 - (e) Create shortcuts to frequently used files or applications
 - (f) Use of hard drive and other drives for file management
 - (g) Renaming/ deleting folders or files
 - (h) Using the recycle bin
 - (i) Storage options
 - (i) Internal drives
 - (ii) Flash drives
 - (iii) CDs/ DVDs
 - (j) My computer
 - (k) Save As, Save and Exit without changes

E. COMPUTER NETWORKS

1. Network Architecture
 - (a) Node, client, server, host computer
 - (b) Network operating system
 - (c) Distributed and centralised processing
2. Network Systems/ Models
 - (d) Terminal networking system
 - (e) Peer-to-peer networking system
 - (f) Client/ server networking system
 - (g) Enterprise computing
3. Network topologies /configurations
 - (h) Bus network
 - (i) Ring network
 - (j) Star network
 - (k) Hierarchical/hybrid network
 - (l) Mesh network
4. Computer Network Types
 - (a) Local Area Networks (LANs)
 - (b) Wide Area Networks (WANs); Internet, Extranet, Intranet
 - (c) Metropolitan Area Networks (MANs)
5. Using a network
 - (a) Sharing resources
 - (b) Merits and demerits of using computer networks
 - (c) Computer network security

F. DATA COMMUNICATION

1. Communications and Connectivity
 - (a) Fax machines, Email, Voice messaging systems/technologies
 - (b) Voice conferencing systems
 - (c) Shared resources
 - (d) Online services
2. Connectivity
 - (a) Modems, types of modems
 - (b) Types of connections:
 - (i) Integrated Services Digital Network (ISDN)
 - (ii) Digital Subscriber Line (DSL)
 - (iii) Cable modems
 - (iv) Satellite/air connection services

3. Communication Channels
 - (a) Telephone lines, coaxial cable
 - (b) Fiber optic cables
 - (c) Microwave
 - (d) Satellite
4. Data Transmission
 - (a) Bandwidth; types of bandwidth
 - (b) Serial and parallel transmission
 - (c) Direction of data transmission
 - (d) Protocols
 - (e) Modes of data transmission

G. USING THE INTERNET AND THE WEB

1. Introduction to the internet and the Web
 - (a) Meaning and terminologies:
 - (i) Telnet
 - (ii) File Transfer Protocol (FTP)
 - (iii) Gopher
 - (iv) The Web
 - (v) Hyperlinks
 - (vi) Host computer
 - (vii) Cyber space
 - (viii) Search engines
 - (ix) Index
 - (x) Firewalls
 - (b) Features of Internet
 - (i) Browsers
 - (ii) Uniform resource locator (URL)
 - (iii) Web portals
 - (iv) Web pages
 - (v) Web sites
 - (vi) Uploading and downloading
 - (vii) Book marking
 - (c) Applications of Internet in business
 - (d) Merits and demerits of using the internet
2. Navigating the Web
 - (a) Toolbars
 - (b) Menu options
 - (c) Scrolling
 - (d) Minimising, maximising and closing

- (e) Favorites
 - (f) Highlight
 - (g) Print
3. Electronic mail (email)
- (a) Meaning
 - (b) Basic elements
 - (c) Using the email
 - (d) Merits and demerits of email

PAPER 8 (II)

A. SPREADSHEETS (MS-EXCEL)

1. Getting Started with Excel
 - (a) Starting Excel
 - (b) Excel working environment
 - (c) Using the ribbon as the Excel user interface
 - (d) Navigating within the worksheet/ workbook
 - (e) Selecting a cell or range of cells
 - (f) Entering data
 - (g) Cutting, copying, and pasting cell values
 - (h) Copy and paste special
 - (i) Saving and opening a workbook
2. Managing Rows & Columns
 - (a) Inserting, moving and deleting cells
 - (b) Managing columns and rows
 - (c) Hiding and unhiding rows/ columns
 - (d) Formatting column widths and row heights
3. Managing Worksheets
 - (a) Formatting worksheet tabs
 - (b) Inserting and deleting worksheets
 - (c) Moving and copying worksheets
 - (d) Hiding and unhiding worksheets
4. Formatting Cells
 - (a) Number and date formatting
 - (b) Finding and replacing text
 - (c) Working with styles
5. Working with Formulas and Functions
 - (a) Entering formulas
 - (b) Arithmetic operators and order of operations
 - (c) Using auto-fill options

- (d) Using commonly used functions e.g VLookup, Sum, IF, Max and Min, Sumif, Countif, And, Or, Left, Right and Concatenate, Round, Proper, Now
- 6. Organising Worksheet and Table Data
 - (a) Creating and modifying tables
 - (b) Sorting and filtering data in tables
 - (c) Summarising information in tables
- 7. Working with Charts
 - (a) Summarising data visually using charts
 - (b) Customising chart data
 - (c) Formatting chart legend and titles
 - (d) Changing chart bodies
 - (e) Saving charts as templates
 - (f) Creating pie-charts
- 8. Managing Workbooks
 - (a) Linking worksheets
 - (b) Printing worksheets
 - (c) Setting page setup options
 - (d) Setting page breaks

B. WORD PROCESSING (MS WORD)

- 1. Familiarising with the MS Word interface
 - (a) The Quick access toolbar
 - (b) The Title bar
 - (c) The Ribbon
 - (d) The Ruler: the text area, the vertical and horizontal scroll bars
 - (e) The Status bar
 - (f) Understanding document views: minimise, maximise, close and resize buttons
 - (g) Understanding non-printing characters
 - (h) Executing commands with keyboard shortcuts
 - (i) Zoom slider
 - (j) Starting a new paragraph
 - (k) Help
- 2. Creating a Basic Document
 - (a) Creating a blank document
 - (b) Customising the word environment
 - (c) Entering text
 - (d) Saving files and exiting word

3. Editing a Document
 - (a) Navigating and selecting text in a document
 - (b) Inserting, deleting, or rearranging text
 - (c) Undoing changes
 - (d) Searching and replacing text
 - (e) Cutting and pasting
 - (f) Copying and pasting
 - (g) Using the clipboard
 - (h) Finding and replacing
 - (i) Checking spelling, grammar and word count
 - (j) Enhancing textual meaning using the thesaurus
 - (k) Customising autocorrect options
 - (l) Previewing and printing documents
4. Formatting Text and Paragraphs
 - (a) Changing font appearance
 - (b) Highlighting text
 - (c) Adding bullets and numbers
 - (d) Setting tabs to align text
 - (e) Paragraph layout
 - (f) Borders and shading
 - (g) Applying styles
 - (h) Creating lists
 - (i) Managing formatting
 - (j) Adding spaces before or after paragraphs
 - (k) Changing line spacing
 - (l) Creating first-line indents
 - (m) Indenting paragraphs
 - (n) Aligning paragraphs
 - (o) Creating hanging indent
5. Tables
 - (a) Creating
 - (b) Modifying
 - (c) Formatting
 - (d) Converting text to tables or tables to text
6. Inserting Graphic Objects
 - (a) Adding visual effects using symbols and special characters
 - (b) Inserting illustrations, clip art
7. Managing Page Appearance
 - (a) Page layout
 - (b) Borders and colours
 - (c) Watermarks

- (d) Headers and footers
- (e) Page numbering
- (f) Orientation
- (g) Page size
- (h) Margins
- (i) Page and section breaks

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3. Cobham David and Curtis Graham (1998), Business Information Systems, Prentice Hall.6th Edition.



BUSINESS MANAGEMENT – PAPER 9

OVERALL AIM

To enable the learner understand business, its environment and the influence of the environment on the structure and functions of an organisation

LEARNING OUTCOMES

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

1. Describe the environment within which businesses operate
2. Define the objectives of businesses
3. Detail the principles of management
4. Explain the functional areas of management

LEVEL OF ASSESSMENT

The examinations will assess the learners' knowledge, comprehension and application of principles and theories of management

EXAMINATIONS STRUCTURE

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

A. THE BUSINESS ENVIRONMENT

1. The interaction between the business environment and the activities of business
2. The micro and macro environments

B. OBJECTIVES OF BUSINESS

1. Primary Objectives
 - (a) Wealth maximisation
 - (b) Growth
 - (c) Profit maximisation

- (d) Survival
- 2. Secondary Objectives
 - (a) Market standing and share
 - (b) Innovation, productivity, and added value
 - (c) Acquisition and application of physical resources and technology
 - (d) Profitability in terms of return on capital employed (ROCE)
 - (e) Employees and management
 - (f) Financial resources and social responsibility

C. STAKEHOLDER ANALYSIS

- 1. Stakeholders:
 - (a) Meaning
 - (b) Types
 - (c) Needs and expectations
- 2. Stakeholder conflicts and how they arise
- 3. Stakeholders mapping:
 - (a) Levels of power and interest
 - (b) Dealing with stakeholder groups
 - (c) How stakeholder groups can increase their power and influence

D. BUSINESS ETHICS AND ETHICAL BEHAVIOUR

- 1. Meaning of ethics and business ethics
- 2. The three areas/branches of ethics
- 3. Importance of ethics to organisations and individuals
- 4. Ethical Issues
 - (a) Arising from the nature of markets
 - (b) Arising from the responsibility of business to society
 - (c) Arising from the internal and industry practices of business

E. PRINCIPLES OF MANAGEMENT

- 1. Planning:
 - (a) Meaning
 - (b) Types of plans:
 - (i) Strategic plans
 - (ii) Operational plans
 - (iii) Contingency plans
 - (c) Management by objectives
 - (d) Planning time horizons

2. Controlling
 - (a) Meaning of the term control
 - (b) Steps in the traditional control process:
 - (i) Establishment of standards of performance
 - (ii) Measurement of actual performance
 - (iii) Comparison of actual performance with standards
 - (iv) Feedback
 - (v) Corrective action
 - (c) Bureaucratic control versus decentralised control

3. Co-ordination
 - (a) Meaning
 - (b) Structure of the organisation (functional, divisional, matrix)
 - (c) Co-ordination: the need to keep departments working together

4. Leadership and Delegation
 - (a) Meaning of 'leader' and 'leadership'
 - (b) Types of leaders
 - (c) Power:
 - (i) Meaning
 - (ii) Sources
 - (d) Theories of leadership approaches
 - (i) Trait theories
 - (ii) Action-centered approach
 - (iii) Contingency approach (Fiedler)
 - (iv) Transformational leadership
 - (e) Leadership styles:
 - (i) The Blake and Mouton's managerial grid; benefits and drawbacks of the grid
 - (ii) Autocratic versus democratic leaders; the leadership continuum (Tannenbaum & Schmidt)
 - (iii) Contingency approaches developing towards situational theory

5. Decision Making
 - (a) Importance of effective decision making
 - (b) Types of decisions:
 - (i) Programmed
 - (ii) Non-programmed decisions
 - (c) Decision making models:
 - (i) Classical

- (ii) Administrative
- (d) Decision making steps:
 - (i) Recognition of decision requirement
 - (ii) Diagnosis and analysis of causes
 - (iii) Development of alternatives
 - (iv) Selection of desired alternative
 - (v) Implementation of chosen alternative
 - (vi) Evaluation and feedback

6. Communication

- (a) Meaning and importance
- (b) Forms
- (c) The communication process
- (d) Methods of communication
- (e) Patterns of communication
- (f) Effective communication
 - (i) Attributes
 - (ii) Barriers and how to overcome them

F. FUNCTIONAL AREAS OF MANAGEMENT

1. Finance

- (a) Areas of expertise:
 - (i) Reporting
 - (ii) Managing
 - (iii) Auditing
 - (iv) Advising on financial performance
- (b) Types of accounting:
 - (i) Financial accounting
 - (ii) Management accounting
 - (iii) Auditing
 - (iv) Specialist accounting (consultancy)
- (c) Analysis of financial statements:
 - (i) Trends and ratios
 - (ii) Comparison of financial performance between companies

2. Marketing

- (a) Meaning
- (b) Managing the marketing mix:
 - (i) Product: the product life cycle, the need for new product development
 - (ii) Price: competitors' prices, customer expectations

- (iii) Place: chain of distribution
 - (iv) Promotion: advertising, sales promotions, public relations, direct selling
3. Operations Management
 - (a) Purchasing and inbound logistics
 - (b) Manufacturing process
 - (c) Distribution and outbound logistics
 4. Human Resource Management
 - (a) Stages in the selection and recruitment process:
 - (i) Job description and person specification
 - (ii) Induction
 - (iii) Training
 - (iv) Development
 - (b) Motivation:
 - (i) Maslow's hierarchy of needs
 - (ii) Herzberg's motivation (hygiene) theory
 - (iii) McGregor's (X/Y) theory
 - (iv) Victor Vroom's Valence (expectancy) theory
 - (c) Rewards and Incentives
 - (i) Rewards versus incentives
 - (ii) Types of rewards and incentive schemes
 - (iii) Objectives of a successful reward system

G. Board of Directors

1. Membership and roles:
 - (a) Chairman
 - (b) Chief executive officer
 - (c) Executive and non-executive directors
 - (d) Company secretary
2. Corporate governance and the code of best practice

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2. 7th Edition.
3. Gilbert D.R, Freeman & Stoner J. A. F (2005), Management, Prentice Hall.6th Edition.
4. DuBrin J Andrew (2009) Essential of Management, Cengage learning EMEA. 8th Edition,



LEVEL 3

FINANCIAL ACCOUNTING – PAPER 10

OVERALL AIM

To enable learners prepare and interpret financial statements

LEARNING OUTCOMES

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

1. Prepare partnership accounts
2. Identify and explain accounting concepts and conventions
3. Prepare financial statements of manufacturing concerns
4. Prepare specialised accounts
5. Explain the features of public sector entities
6. Explain the regulatory framework of financial reporting in Uganda
7. Prepare financial statements of different form of business entities and the public sector
8. Interpret financial statements

LEVEL OF ASSESSMENT

The examination will test the learner's knowledge and application of accounting principles and concepts

EXAMINATION STRUCTURE

There will be a three hour examination consisting of 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. Meaning of accounting concepts and conventions
2. Application of the concepts:
 - (a) Going concern
 - (b) Accruals/ matching
 - (b) Prudence

- (c) Consistency
- (d) Substance over form
- (e) Historical cost
- (f) Stable monetary unit
- (g) Money measurement
- (h) Materiality
- (i) Realisation
- (j) Objectivity
- (k) Business entity
- (l) Duality

B. THE FRAMEWORK OF FINANCIAL REPORTING IN UGANDA

1. Users of financial statements and their information needs
2. Objectives and qualitative characteristics of financial statements
3. Elements of financial statements
4. Need for the regulation of financial reporting
5. Forms of regulation:
 - (a) Legal Framework:
 - (i) The Companies Act, 2012
 - (ii) The Public Finance Management Act, 2015
 - (iii) International Financial Reporting Standards
 - (b) Capital Markets Authority and Securities Exchange and their roles in setting financial reporting requirements

C. PARTNERSHIP ACCOUNTS

1. Accounting for changes in partnerships
 - (a) On retirement
 - (b) On admission of new partners
 - (c) On change in profit or loss sharing arrangements including adjustments to assets and goodwill
2. Accounting procedures for dissolution of partnerships; the rule in Garner versus Murray

D. ACCOUNTING FOR MANUFACTURING CONCERNS

1. Retailing versus manufacturing businesses
2. Preparation of a manufacturing accounts and adjustments for work-in-progress
3. Apportionment of expenses
 - (a) Production

- (b) Selling and distribution
 - (c) Administration
4. Preparation of financial statements

E. ACCOUNTING FOR LIMITED COMPANIES

1. Issue of shares and debentures
2. Preparation of financial statements for internal use

F. INTRODUCTION TO FINANCIAL REPORTING STANDARDS

1. The standards setting process
2. Merits and demerits of accounting standards
3. Application of standards on:
 - (a) Presentation of Financial Statements (IAS 1)
 - (i) The objective of the standard
 - (ii) The financial statements
 - (iii) Scope of the standard
 - (iv) Key concepts of the standard: fair presentation, current assets, current liabilities, long-term interest bearing liabilities
 - (v) Accounting treatment: information to be presented on the face of each financial statement.
 - (vi) Presentation and disclosure; minimum information on the face of each of the components of financial statements.
 - (vii) Statement of profit or loss and other comprehensive income: meaning of comprehensive income, reporting comprehensive income, results of operating activities, other comprehensive income
 - (viii) Statement of financial position: disclosure of property plant and equipment, disclosures on the face of the statement of financial position, current assets and current liabilities non-current assets and liabilities, equity
 - (ix) Statement of cash flows
 - (x) Statement of changes in equity: components, disclosure of changes in accounting policies, disclosure of dividends, disclosure of issue of share capital, disclosure of transfers to and from reserves
 - (xi) Accounting policies and notes to financial statements: disclosure of the measurement basis (or bases) used in preparing financial statements, disclosure of other accounting

policies used that are relevant to the understanding of the financial statements, disclosure of sources of estimation uncertainty

(b) Statement of Cash Flows (IAS 7)

- (i) Meaning of cash, cash equivalents and cash flows
- (ii) Disclosures under operating activities, investing activities and financing activities
- (iii) Preparation of statement of cash flows; the direct and indirect methods of ascertaining cash flows from operating activities

(c) Inventories (IAS 2)

- (i) Objective of the standard
- (ii) Scope of the standard
- (iii) Exceptions to the standard
- (iv) Key Concepts of the standard: measurement cost of inventories, net realisable value
- (v) Accounting treatment: composition of cost of inventory; exclusions from the cost of inventory; cost formulas (weighted average and first in first out); techniques for measuring cost of inventory (standard cost and retail method)
- (vi) Presentation and disclosure: accounting policies, total carrying amounts for every class of inventory, write-offs, recognised as expenses and circumstances or events leading write-off

(d) Property, Plant and Equipment (IAS 16)

- (i) Objective of the standard
- (ii) Scope of the standard
- (iii) Exceptions to the standard
- (iv) Key concepts of the standard
- (v) Cost (initial and subsequent)
- (vi) Elements of cost
- (vii) Measurement of cost
- (viii) Measurement after recognition (cost model and revaluation model)
- (ix) Explanation of fair value; carrying amounts; depreciation; impairment loss; property, plant and equipment; recoverable amounts; useful life

- (x) Accounting treatment: recognition of an asset, disposal of assets, capitalisation, write-offs and expenses, revaluation surplus/ deficit, reversals of revaluation surplus
- (xi) Presentation and disclosure: measurement bases, depreciation methods and depreciation rates, reconciliation of the assets at the beginning and end of period showing additions, disposals, revaluations, impairments and write-offs; assets pledged as securities for liabilities; date of revaluations and the names of the valuers

(e) Revenue (IAS 18)

- (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
- (vii) Exception to recognition of revenue
- (viii) Fair value and effective yield

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PRINCIPLES OF TAXATION – PAPER 11

OVERALL AIM

To provide the learner with basic knowledge of taxation in Uganda covering all aspects of tax as set by the Government of Uganda

LEARNING OUTCOMES

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

1. Demonstrate an understanding of the objectives of taxation and factors that determine the Country's taxable capacity
2. Define and classify taxes in Uganda
3. Describe the administration of taxes in Uganda
4. Explain the tax system as it applies to individuals and businesses in Uganda
5. Compute different tax liabilities for individuals and corporate bodies
6. Prepare and submit tax returns for individuals and corporate bodies
7. Show an understanding of tax assessments
8. Show an understanding of the e-tax platform
9. Handle correspondence with tax authorities

LEVEL OF ASSESSMENT

The examinations will be centered on the ability of the learner to demonstrate an understanding of the different taxes in Uganda

EXAMINATION STRUCTURE

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

DETAILED SYLLABUS

A. INTRODUCTION TO TAX ADMINISTRATION IN UGANDA

1. Definition of taxes and the history of taxation in Uganda
2. Reasons for levying taxes
3. Classification of taxes: progressive tax, proportional tax, regressive tax

4. Types of taxes: direct and indirect; advantages and disadvantages of direct and indirect taxes
5. Incidence, impact and tax base
6. Principles of a good tax system
7. Taxable capacity
8. Tax compliance, tax evasion and tax avoidance
 - (a) Meaning
 - (b) Factors influencing tax compliance
9. Methods of tax accounting
10. Tax structure in Uganda and its implications
11. Uganda Revenue Authority (URA): structure, functions and procedures of URA
12. The powers and duties of the commissioner general of URA

B. INCOME TAX

1. Meaning of chargeable income, gross income, exempt income; examples of exempt income and exempt organisations (amateur sporting associations, charitable organisations, listed institutions)
2. Legal provisions of the Income Tax Act: allowable and disallowable deductions, taxable and exempt income, basis of assessments, capital allowances
3. Residence status:
 - (c) Tax residence and non-tax residence status
 - (c) Short term residence
 - (d) Resident individual, company, partnership, trust
4. Year of assessment
 - (a) Normal year
 - (b) Substituted
 - (c) Transitional
5. Tax rates for: individuals, companies, partnerships, corporations, insurance business, clubs, societies, amateur sporting associations, retirement funds, trusts
6. Determination of chargeable income of an individual i.e.
 - (a) Employment income:
 - (i) Meaning of employment and employment income
 - (ii) Sources
 - (iii) Valuation of benefits
 - (iv) Treatment of income received on retirement and on termination of contract of employment
 - (v) Exempt income

- (vi) Pay as you earn system and its limitations
- (vii) Computation of employment income of an individual
- (b) Business income
 - (i) Meaning and examples
 - (ii) Characteristics of trade
 - (iii) Small tax payers and the presumptive tax
 - (iv) Determination of taxable business income: allowable deductions, non-allowable deductions, capital deductions (qualifying capital expenditures, types of capital expenditures, an eligible property)
 - (v) Computation of chargeable income and tax thereon of an individual
- (c) Property income: meaning, scope of and examples
- (d) Rental income
 - (i) Meaning of rental income and rental tax
 - (ii) Tax treatment of rental income; allowable deductions and tax threshold
 - (iii) Tax treatment of rental income for an individual and that of a company
 - (iv) Computation of rental tax
- 7. Corporation tax: computation of chargeable income of a company and tax thereon

C. CAPITAL ALLOWANCES

1. Wear and tear allowance
2. Initial allowance
3. Industrial building allowance

D. CAPITAL GAINS TAX

1. Meaning and scope:
 - (a) Business assets
 - (b) Cost base of an asset
 - (c) Disposal of an asset:
 - (i) Part disposal
 - (ii) Disposal by exchange
 - (iii) Disposal by way of gift
 - (iv) Deemed disposal
 - (v) Gains or losses on disposal
 - (vi) Cost base of a non-arms length disposal

2. Computation of capital gains tax

E. INCOME TAX RETURNS AND ASSESSMENTS

1. Meaning of return of income and assessment
2. Persons eligible to file returns
3. Circumstances where filing returns is not required
4. Due dates for filing returns: final, provisional, estimated, amended assessment
5. Provisions regarding extension of time to file a return
6. Tax assessments:
 - (a) Based on taxpayer's return
 - (b) Self, additional/ amended, estimated
7. Payment of tax:
 - (a) Final
 - (b) Provisional tax
 - (c) Tax withheld
 - (d) Due dates
8. Objections and appeals, offences and penalties, repayment and settlement of taxes

F. WITHHOLDING TAX

1. Meaning and parties to this tax
2. Payments subject to withholding tax
3. Circumstances under which withholding tax is taken as final tax
4. Implications of taking withholding tax as final tax
5. Payment of withholding tax and penalties for non-compliance

G. VALUE ADDED TAX (VAT)

1. Meaning, merits and demerits
2. Administration:
 - (a) Operations of the VAT department
 - (b) Registration
 - (c) Taxable persons
 - (d) Taxable and exempt supplies
 - (e) Rates of tax
 - (f) Tax periods
 - (g) Returns, penalties, offences, deregistration
 - (h) Visits by VAT officials

3. Cash accounting versus invoice accounting; advantages and disadvantages of cash accounting and invoice accounting
4. VAT accounting records:
 - (a) Tax invoices
 - (b) Credit and debit notes
 - (c) VAT accounts
5. Returns:
 - (a) Amended
 - (b) Returns that are filed separately
6. Powers and duties of the Commissioner
7. Rights and obligations of a registered taxpayer
8. Determination of input and output tax; refund procedures
9. Objections, appeals, offences and penalties

H. CUSTOMS AND EXCISE DUTIES

1. Importation procedures under customs management:
 - (a) Arrival and reporting procedures for vehicles
 - (b) Arrival by international trains, vehicles and other means overland
 - (c) Re-export procedures
 - (d) Goods in transit
2. Unloading and removal of cargo (delivery):
 - (a) Entry examination
 - (b) Removal of goods by sale in customs warehouse
 - (c) Passenger clearance
3. Warehouses
 - (a) Customs warehouses:
 - (i) Meaning
 - (ii) Receipt/ delivery of goods
 - (iii) Disposal of warehouse goods
 - (b) Bonded warehouses
 - (i) Meaning
 - (ii) Procedures for bonded warehouses: receipt/delivery of goods, entry and control of goods prior to bonded warehousing, licensing of bonded warehouses, goods not allowed in bonded warehouses
4. Exportation procedures under customs:
 - (a) Customs procedures for exports
 - (b) Entry outwards of goods
 - (c) Procedures for re-exportation
 - (d) Export of bonded goods

5. Smuggling of goods:
 - (a) Meaning and forms
 - (b) Reasons why countries impose prohibitions
 - (c) Reasons for restricting certain goods
 - (d) Problems associated with smuggling
 - (e) Ways of preventing smuggling of goods and services; treatment of offenders
6. Importation by post
 - (a) Meaning
 - (b) Procedures for clearing post parcels:
 - (i) Examination
 - (ii) Redirecting parcels
 - (c) Warehousing of goods imported by post
7. Customs union
 - (a) Advantages and challenges
 - (b) Opportunities created under the customs union
8. Common markets
 - (a) Advantages of a (b) Trade barriers
9. Customs valuation and computation of duty

I. OTHER SOURCES OF GOVERNMENT REVENUE

Fines, licences, lotteries, rates, compulsory saving schemes, government securities local service tax

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3. The Government of Uganda: The Income Tax Act, Cap 340, Government of Uganda.
4. The Government of Uganda: Value Added Tax, Cap 349, Government of Uganda.
5. The Government of Uganda: Customs & Excise Act, Cap. 335, Government of Uganda.



ENTREPRENEURSHIP - PAPER 12

OVERALL AIM

To equip learners with knowledge, skills and attitudes to develop unique business ideas, make decisions and be able to set up successful businesses.

LEARNING OUTCOMES

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

1. Explain the different terms used in entrepreneurship
2. Describe the entrepreneurship culture and structure
3. Apply effective written and oral communication skills to business situations
4. Analyse the local and global business environments
5. Recognise and evaluate business opportunities
6. Prepare sound business plans
7. Explain the entrepreneurship process
8. Identifying business opportunities and developing them into viable businesses
9. Explain the relevancy of entrepreneurship in economic growth and development
10. Explain the challenges facing entrepreneurs and how to overcome them
11. Explain the different contemporary issues in entrepreneurship

LEVEL OF ASSESSMENT

The examination will mainly test knowledge, skills and creativity

EXAM STRUCTURE

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

DETAILED SYLLABUS

A. NATURE AND SCOPE OF ENTREPRENEURSHIP

1. Meaning of entrepreneurship and entrepreneur
2. Evolution of entrepreneurship in Uganda and in international context
3. Factors that determine the emerging of entrepreneurs
4. Types of entrepreneurs
5. Characteristics of successful entrepreneurs
6. Challenges of entrepreneurs and solutions to the challenges
7. Entrepreneurial decision process
8. Risk taking
 - (a) Types of risks
 - (b) Risk identification
 - (c) Risk assessment
 - (d) Reward for risk taking
9. Role of entrepreneurship in economic development

B. BUSINESS ENVIRONMENT

1. Features
2. Types:
 - (a) Internal environment
 - (b) External environment
3. Entrepreneurship and small/ medium-size enterprises
 - (a) Meaning of small and medium-size enterprises
 - (b) The environment of small and medium-size enterprises
 - (c) Managing small and medium-size enterprises:
 - (i) Human resource management
 - (ii) Financial management
 - (iii) Marketing: shop design, front, walls and ceiling, colour scheme, customer spotting, interior design, floor, methods of allocating space, design basics, window display
 - (iv) Purchasing: objectives, policies, procedures, evaluation of suppliers, legal implications
 - (d) Risk and failure analysis of small and medium-size businesses
 - (e) Advantages and disadvantages of small and medium-size businesses
 - (f) Role/ contribution of small and medium-size businesses to economic development
 - (g) Winding up a business venture: meaning, reasons and ways of winding up

C. BUSINESS GROWTH AND PROTECTION

1. Managing growth in a changing environment
2. Challenges of growth and expansion
3. Forms of business growth:
 - (a) Natural growth
 - (b) Artificial growth:
 - (i) Business combinations: mergers and acquisitions/ absorption/ takeovers; rationale for acquisition/ merging; merits and demerits
 - (ii) Buyouts: meaning, factors to consider, merits and demerits
 - (iii) Franchising: nature, importance, types, benefits and limitations to franchiser and franchisee
 - (iv) Holding company
 - (v) Joint ventures
4. Business protection:
 - (a) Prevention of theft and shoplifting
 - (b) Patents, trademarks, copy rights, trade secrets, licensing
 - (c) Regulations on safety
 - (d) Insurance types and contracts
5. Reasons for business failure
6. Social and ethical responsibility

D. FORMS OF BUSINESS ORGANISATIONS

1. Sole proprietorships
2. Partnerships
3. Limited liability companies

E. MOTIVATION

1. Motivational theories (Maslow's hierarchy of needs, McGregor theory of X & Y, Herzberg theory of motivation)
2. How to motivate
3. Factors that hinder motivation
4. Impact of motivation

F. CREATIVITY AND INNOVATION

1. Creativity
 - (a) Meaning

- (b) Stages of creativity process
 - (c) Principles
 - (d) Benefits and limitations
2. Innovation
 - (a) Meaning, types and sources
 - (b) Principles and benefits
 - (c) Fostering innovations in business ventures

G. DEVELOPING AN EFFECTIVE BUSINESS PLAN

1. Meaning and importance of a business plan
2. Users of business plans
3. Essential components of a business plan:
 - (a) Executive summary
 - (b) Vision, mission, goals, objectives, core values
 - (c) Business description
 - (d) Products/ services
 - (e) Organisation structure
 - (f) Organisational plans
 - (g) Production plan
 - (h) Financial plan
 - (i) Marketing plan
 - (j) Operations plan
 - (k) SWOT analysis
 - (l) Conclusion
 - (m) Appendices
4. Presentation of a business plan
5. Factors that hinder the development of effective business plans

H. CREATING OWN BUSINESS/ SELF-EMPLOYMENT

1. Factors to consider
2. Generation business ideas/ spotting opportunities(product/ service ideas)
3. Selection of the type of the organisation/ opportunity assessment plan
4. Problems in selecting new ventures
5. Factors to consider for a successful business venture
6. The venture life cycle

I. FINANCING NEW VENTURES

1. Internal and external sources of capital
2. Credit analysis and assessment of risks
3. Financial planning
4. Managing finances
5. Accounting and record keeping
3. Strategies for managing growth and transition in a venture
4. Factors affecting the growth of entrepreneurial ventures
5. Factors for success at every stage of development
6. Assessment and selection of a suitable market
7. Evaluation of a business venture

J. EMERGING TRENDS IN ENTREPRENEURSHIP

1. Total Quality Management
 - (a) Meaning
 - (b) Importance
 - (c) Limitations
2. E-commerce
 - (a) Meaning
 - (b) Mobile commerce; electronic funds transfer; merits and demerits of e-commerce
 - (c) Internet marketing and electronic data interchange
3. Globalisation
 - (a) Meaning
 - (b) Drivers/ reasons
 - (c) Limiting factors
 - (d) Advantages and disadvantages
 - (e) Exporting: direct and indirect
 - (f) Joint ventures/ strategic alliances and their challenges
4. Outsourcing: meaning, reasons, advantages and disadvantages
5. Networking
 - (a) Meaning
 - (b) Types of business networking
 - (i) General
 - (ii) Face-to-face
 - (iii) On-line
6. Social entrepreneurship (not-for-profit)
7. Ethics and integrity in business
 - (a) Concepts of ethics and integrity

- (b) Legal framework of ethics and integrity
- (c) Business ethics

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PRINCIPLES OF AUDITING- PAPER 13

OVERALL AIM

To equip the learner with knowledge and understanding of the procedures involved in planning and execution of an audit

LEARNING OUTCOMES

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

1. Define auditing, the need for and the nature of auditing
2. Describe the legal, regulatory and ethical environment within which audits are performed in Uganda
3. Describe the basic principles and procedures of auditing
4. Explain how audit work is documented to provide sufficient appropriate audit evidence
5. Explain the design and testing procedures of internal controls
6. Describe computer-assisted audit techniques, the risks of auditing in information technology environment and the use of computer-assisted audit techniques
7. Explain the role of internal auditing and describe the performance of internal audit tasks

LEVEL OF ASSESSMENT

The examination will test knowledge, comprehension and application of auditing theory and principles

EXAMINATIONS STRUCTURE

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

A. INTRODUCTION

1. Meaning of auditing and an audit
2. Auditing versus accounting
3. History and changing role of auditing
4. Purpose/ objectives of an audit
5. The information gap and stewardship

6. Auditing postulates
7. Auditing concepts:
 - (a) Auditor's independence
 - (b) Audit evidence
 - (c) Materiality
 - (d) True and fair
 - (e) Disclosure of accounting policies
8. Qualities of an auditor
9. Types of audits:
 - (a) Statutory, government, private
 - (b) Internal audits
 - (c) Other assurance assignments:
 - (i) Forensic
 - (ii) Value for money
 - (iii) Audits relating to environmental and social issues
10. Advantages and disadvantages of an audit

B. AUDIT REGULATION IN UGANDA

1. Regulation and authorisation of auditors:
 - (a) Roles and responsibilities of ICPAU
 - (b) Reasons and mechanisms for the regulation of auditors
2. Appointment, rights and duties of an auditor:
 - (a) Appointment; ways of appointment
 - (b) Rights and duties of an auditor
3. Resignation and dismissal of auditors:
 - (a) Circumstances under which an auditor may resign from his/her appointment
 - (b) Statutory regulations governing the rotation, removal and resignation of auditors
4. Auditing standards and guidelines:
 - (a) The regulatory environment within which statutory audits take place
 - (b) Professional code of conduct
 - (c) Fundamental principles of professional ethics: integrity, objectivity, professional competence and due care, confidentiality, professional behavior
 - (d) Application of the conceptual framework
 - (e) Sources of and enforcement mechanisms associated with, ICPAU's code of ethics
5. Auditor's liability:

- (a) Negligence: liability that may arise due to negligence
 - (b) Liability under private and statutory audits
 - (c) Criminal liability under the Companies Act
 - (d) Minimisation of liabilities
6. Requirements of:
- (a) Accountants Act
 - (b) The Companies Act
 - (c) Insurance Act
 - (d) Financial Institutions Act

C. PRINCIPLES, PROCEDURES AND CONDUCT OF AN AUDIT

1. Audit objectives:
 - (a) Meaning of the objective of the audit of financial statements
 - (b) Procedures in undertaking an audit of financial statement
 - (c) Influences on the conduct of an audit
2. Audit documentation:
 - (a) Meaning and importance
 - (b) Audit working papers
 - (c) Current and permanent audit files
3. Audit evidence:
 - (a) Types
 - (b) Sources
 - (c) Quality:
 - (i) Factors that determine the reliability of audit evidence
 - (ii) Limitations on the quality and quantity of audit evidence
 - (d) Consistency of audit evidence:
 - (i) Meaning and the usefulness of consistent audit evidence
 - (ii) Need for consistency of audit evidence
 - (iii) Procedures that can be employed to obtain consistent audit evidence
 - (e) Procedures/ methods/ techniques of obtaining evidence:
 - (i) Physical examination
 - (ii) Confirmations
 - (iii) Documentation
 - (iv) Analytical procedures
 - (v) Inquiries of the Client
 - (vi) Re-performance
 - (vii) Observation
 - (f) Audit testing, sampling and analytical review procedures
 - (i) Forms of audit testing: compliance tests and substantive

- procedures
- (ii) Audit sampling: basis of sampling, circumstances when audit sampling is not appropriate, sampling risk, bases/ approaches to selecting samples (statistical, non- statistical)
 - (iii) Analytical review procedures: meaning, ways of carrying out analytical procedures, timing and extent of analytical procedures
4. Planning:
 - (a) The need for audit planning
 - (b) Contents of an overall audit strategy and audit plan
 - (c) Relationship between the overall audit strategy and audit plan
 - (d) Development and documentation of an audit plan
 - (e) Interim versus final audits
 5. Internal control systems:
 - (a) Meaning of internal control system, control environment, control risks, tests of control
 - (b) Assessment of internal control systems, types and policies of a given organisation
 - (c) Audit procedures in relation to a client's internal control systems
 - (d) Techniques of evaluating an internal control system
 - (e) Importance and limitations of an internal control system
 6. Audit judgment and materiality:
 - (a) Confirmation whether accounting principles and policies used conform to required reporting standards
 - (b) Materiality and its importance
 7. Income statement audit:
 - (a) The financial statements assertions:
 - (i) Occurrence
 - (ii) Completeness
 - (iii) Accuracy
 - (iv) Cut-off
 - (v) Classification
 - (b) Matters relating to revenue and expenses recognition:
 - (i) Materiality
 - (ii) Risk
 - (iii) Relevant accounting standards
 - (iv) Audit evidence
 - (c) Procedures for verifying revenue and expenditure
 - (d) Audit evidence in respect of the audit of income statement items
 8. Balance sheet/ statement of financial position audit:

- (a) The financial statements assertions:
 - (i) Existence
 - (ii) Rights and obligations
 - (iii) Completeness
 - (iv) Valuation and allocation
 - (b) Identification of balance sheet items and the respective implications in an audit report
 - (c) Factors in the timing of the audit of each item in a balance sheet
 - (d) Audit evidence in respect of the audit of balance sheet items
 - (e) Post balance sheet review and its importance in an audit
9. Audit risk assessment:
- (a) Understanding the entity and its environment
 - (b) Audit risk: detection risk, inherent risk, control risk
 - (c) Importance of risk analysis
 - (d) Professional judgement and materiality
10. Related parties, subsequent events and going-concern considerations
11. External confirmations

D. AUDITING IN AN INFORMATION TECHNOLOGY (IT) ENVIRONMENT

1. Use of computer-assisted audit techniques
2. Application and general IT controls
3. Key aspects of computer audits
4. Risk and challenges of audit in an IT environment

E. AUDIT REPORTS

1. Meaning
2. Elements
3. Types of audit opinions
4. Compliance with international standards on auditing

F. INTERNAL AUDITING

1. Role, need, scope, benefits and limitations
2. Types of audit reports
3. Responsibilities of internal and external auditors for the detection and prevention of fraud and error
4. External versus internal auditing
 - (a) Roles regarding planning and collection of audit evidence
 - (b) Types of reports produced

5. Reliance on the work of internal auditors
6. Elements of best practice with reference to international codes of corporate governance
7. Developments in internal auditing
 - (a) Nature and purpose of internal audit assignments including value for money, IT, investigation
 - (b) Operational internal audit assignments (procurement, marketing, treasury and human resources management)
 - (c) Advantages and disadvantages of outsourcing the internal audit function

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ANNEX

EXAMINABLE INTERNATIONAL STANDARDS ON AUDITING (ISA)

1.	ISA 210 Terms of Audit Engagements
2.	ISA 220 Quality Control for an Audit of Financial Statements
3.	ISA 230 Audit Documentation
4.	ISA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements
5.	ISA 260 Communication with Those Charged with Governance.
6.	ISA 300 Planning an Audit of Financial Statements
7.	ISA 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment
8.	ISA 320 Materiality in Planning and Performing an Audit
9.	ISA 330 The Auditor's Responses to Assessed Risks
10.	ISA 500 Audit Evidence
11.	ISA 505 External Confirmations
12.	ISA 520 Analytical Procedures
13.	ISA 530 Audit Sampling
14.	ISA 550 Related Parties
15.	ISA 560 Subsequent Events
16.	ISA 570 Going Concern
17.	ISA 610 (Revised) Using the Work of Internal Auditors
18.	ISA 700 Forming an Opinion and Reporting on Financial Statements
19.	ISA 705 Modifications to the Opinion in the Independent Auditor's Report
20.	ISA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
21.	ISA 720 The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements

ACCOUNTING TECHNICIANS DIPLOMA (ATD)

EXAMINATION SYLLABUS 2016

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