



**EXAMINATION
SYLLABUS**

aat
SRI LANKA

The Association of
Accounting Technicians
of Sri Lanka

CONTENTS

| | Page |
|--|---------|
| The key features of the new syllabus | 02 |
| Subjects - New Syllabus & Previous Syllabus | 03 |
| Curriculum Model | 04 |
| Level of Testing | 05 |
| Foundation Level Examination | |
| Basic Accounting | 06 - 08 |
| Economics | 09 - 10 |
| Business Studies | 11 - 12 |
| Business Communication - I | 13 - 14 |
| Intermediate Level Examination | |
| Business Mathematics & Statistics | 15 - 17 |
| Accounting & Control Systems | 18 - 20 |
| Information Management & Application in Business | 21 - 24 |
| Business Law and Management | 25 - 29 |
| Final Level Examination | |
| Taxation | 30 - 32 |
| Management Accounting & Business Finance | 32 - 36 |
| Advanced Financial Accounting | 37 - 38 |
| Auditing | 39 - 41 |
| Business Communication - II | 42 - 44 |
| Examination Structure | 45 |
| Exemptions under the New Syllabus | 46 - 47 |
| Suggested Weightings & Study Time Allocation | 48 - 50 |
| Structure of Question Papers - New Syllabus | 51 - 52 |

THE KEY FEATURES OF THE NEW SYLLABUS

(i) Total number of subjects:

The total number of subjects is 13 as in the previous syllabus.

(ii) Structure and Subjects:

(a) Examination Structure:

Examination Levels remain as three Foundation, Intermediate and Final as it was in the previous syllabus.

(b) The Foundation Level:

Objectives:

To provide the students with basic understanding of Financial and Cost Accounting Principles, to enrich the knowledge of students on Principles of Economics & Business Studies including changes that are taking place in The global Economic and Business environment.

The Foundation Level consists of four subjects.

- Basic Accounting
- Economics
- Business Studies
- Business Communication - I

The salient feature of this new syllabus for Foundation level is that it has taken into account the changes that are taking place at the global economy and business environment, including basic understanding of Business and Professional Ethics.

Business Communication - I is designed especially to develop the students' Communication & Reporting Skills, and to provide a comprehensive knowledge on English Grammar.

After successful completion of Foundation level, a student can proceed to the Intermediate level. However, the option of sitting for Foundation and Intermediate level subjects together remains unchanged.

(c) The Intermediate Level:

Objectives:

The main objective is to provide in-depth knowledge on Financial Accounting and Information Management and to provide them a basic understanding on Business Law and Management Principles.

The Intermediate Level consists of four subjects.

- Business Mathematics & statistics
- Accounting & Control Systems
- Information Management & Application in Business
- Business Law & Management

After successful completion of Foundation and Intermediate levels, student is entitled to proceed for the Final level.

Students can benefit from the "subject by subject pass scheme" for both the Foundation and Intermediate level examinations.

(d) The Final Level:

Objectives:

The Final level syllabus mainly aims to develop students' skills on Financial Reporting, Regulatory Framework including Auditing and Taxation of the businesses.

The Final Level consists of four subjects.

- Taxation
- Management Accounting & Business Finance
- Advanced Financial Accounting
- Auditing

Optional

Business Communication - II

Business Communication - II will mainly focus on Business English. The knowledge obtained from Foundation level Business Communication will be useful in the learning process of Final level Business Communication subject.

After successful completion of Final level, a student will achieve the status of a Passed Finalist and after successful completion of prescribed period of practical training requirement & Business Communication - II Paper he/she can apply for AATSL membership.

(iii) Practical Training Requirements:

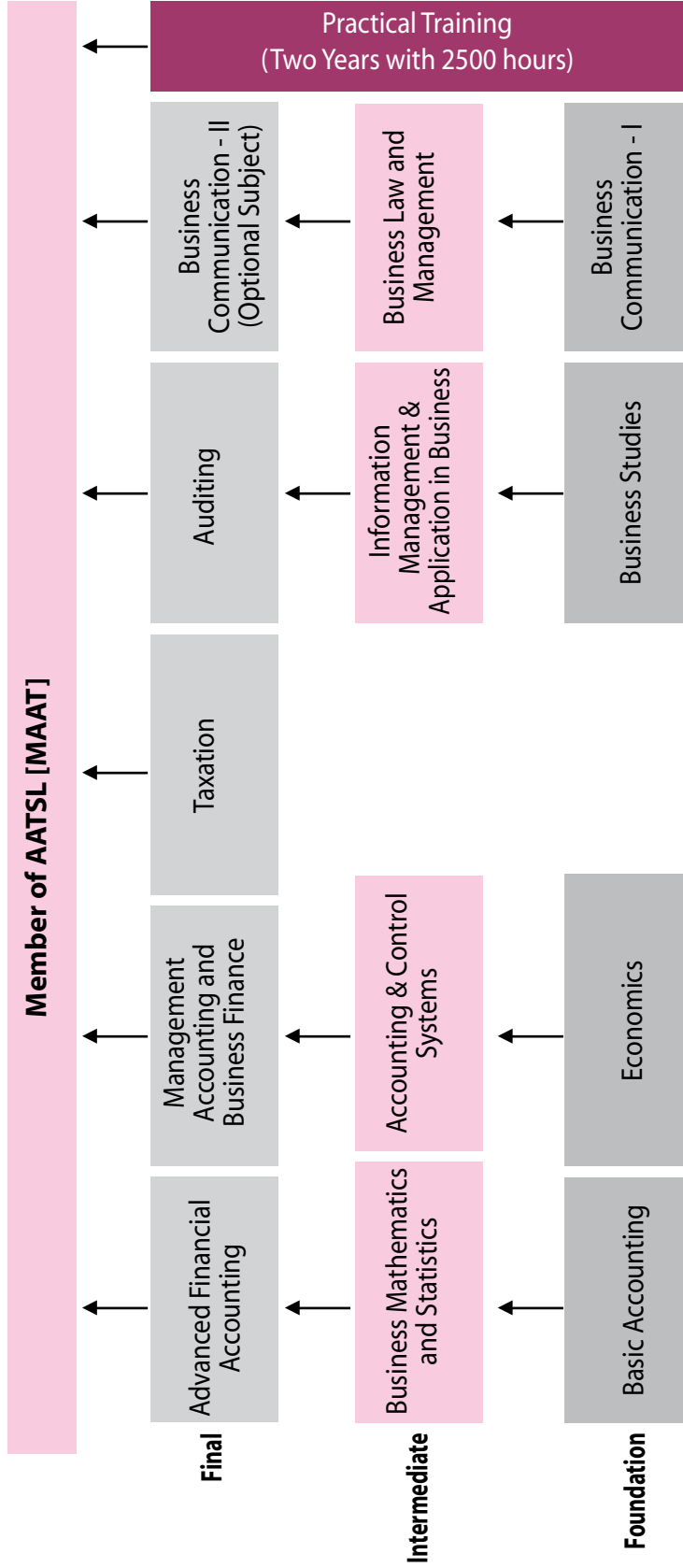
According to the previous syllabus, in addition to passing the examinations conducted by the Association, registered students had to undergo two years with 2,500 hours of full time Practical Training before they become eligible for Membership of the Association. This procedure remains unchanged in this syllabus too.

Name of the Subjects - New Syllabus & Previous Syllabus

AATSL program consists of Foundation, Intermediate and Final level examinations. Courses of all three levels, a comparison of existing and new syllabus including credit values for each subject are as follows:

| SUBJECTS UNDER 2005 SYLLABUS | | SUBJECTS UNDER 2010 SYLLABUS | | |
|---|---|---|---|-------------------|
| Subject No. | FOUNDATION LEVEL | Subject No. | FOUNDATION LEVEL | Number of Credits |
| 25 | Basic Financial Accounting | 50 | Basic Accounting | 4 |
| 26 | Business Mathematics (50%) and Statistics (50%) | 51 | Business Mathematics (60%) and Statistics (40%) | 5 |
| 27 | Economics | | (W.e.f January 2012. examination in Intermediate level) | |
| 28 | Commerce | 52 | Economics | 3 |
| | | 53 | Business Studies | 2 |
| Subject No. | INTERMEDIATE LEVEL | Subject No. | INTERMEDIATE LEVEL | Number of Credits |
| 29 | Accounting (80%) & Principles of Auditing (20%) | 54 | Accounting (70%) & Control Systems (30%) | 4 |
| 30 | Management Information Systems (MIS) & Information Technology (IT) | 55 | Information Management & Application in Business | 3 |
| 31 | Business Law (50%) and Management (50%) (Two Papers) | 56 | Business Law (50%) and Management (50%) (Two Papers) | 4 |
| 32 | Business Communication - I | 57 | Business Communication – I Communication (50%) and English Language (50%) | 3 |
| | | | (W.e.f January 2012. examination in Foundation level) | |
| Subject No. | FINAL LEVEL | Subject No. | FINAL LEVEL | Number of Credits |
| 33 | Taxation Practice | 58 | Taxation | 4 |
| 34 | Cost & Management Accounting (80%) and Quantitative Techniques (QT) (20%) | 59 | Management Accounting (75%) and Business Finance (25%) | 4 |
| 35 | Advanced Financial Accounting | 60 | Advanced Financial Accounting | 4 |
| 36/38 | Auditing OR Public Sector Accounting | 61 | Auditing | 4 |
| 39 | Business Communication - II (English) - (Optional) | 62 | Business Communication - II (English) - (Optional) | - |
| Practical Training (Two years with 2500 hours) | | Practical Training (Two years with 2500 hours) | | 16 |

CURRICULUM MODEL



LEVEL OF TESTING

Detailed syllabus of each course consists of learning outcomes, topics and weightings, and the sub topics with level of study. In accordance with the Bloom's taxonomy of educational objectives three levels of study have been identified as follows.

Level C: Knowledge and Comprehension

Knowledge - Exhibits memory of facts, terms, basic concepts and answers

Type of testing: List, Name, Define, Describe, Identify, State, Enumerate, Locate, Select

Comprehension - Demonstrative understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions and stating main ideas

Type of testing: Give examples, Express, Illustrate, Explain, Defend, Distinguish, Interpret

Level B: Application and Analysis

Application - Using new knowledge to solve problems by applying acquired knowledge, facts, techniques and rules

Type of testing: Organize, Prepare, Produce, Choose, Generalize, Sketch, Apply, Solve, Draw, Show

Analysis - Examine and break information into parts by identifying motive or causes. Make inferences and find evidence to support generalizations.

Type of testing: Compare, Analyze, Classify, Point out, Distinguish, Categorize, Differentiate, Subdivide, Infer, Select, Prioritize

Level A: Synthesis and Evaluation

Synthesis - Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions

Type of testing: Compose, Organize, Develop, Design, Combine, Construct, Produce, Plan, Create

Evaluation - present and defend opinions by making judgments about information, validity of ideas or quality of work based on a set of criteria

Type of testing: Judge, Weight, Criticize, Support, Evaluate, Critique, Recommend, Summarize, Appraise, Compare, Contrast

Foundation Level Examination

50 BASIC ACCOUNTING

Course Description

This course intends to develop knowledge and understanding of the underlying principles and concepts relating to basic accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of financial statements for various types of organizations.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Identify business environment and its relation to accounting process.
2. Understanding the needs of maintenance of financial records.
3. Identify the source of information needed to record transactions.
4. Identify accounting equation, concepts and accounting principles.
5. Prepare daybooks, journals and statements of bank reconciliations.
6. Record transactions in the ledger accounts using double entry theory.
7. Maintain control accounts and subsidiary ledgers.
8. Identify and explain the objectives of financial statements.
9. Prepare a set of financial statements comprising of manufacturing, trading, and profit & loss account (income statement) and balance sheet (Statement of Financial Position) of a sole proprietorship.
10. Understanding Basic Principles of Cost Accounting

BASIC FINANCIAL ACCOUNTING (85%)

| | Level of Study |
|---|----------------|
| » Basic Principles, Outline Concepts and principles underlying accounting and financial statements | |
| • Business environment | C |
| • Need of accounting | C |
| • Objectives of financial statements | C |
| • Qualitative characteristics stated in "framework for the preparation and presentation of financial statements." Issued by the ICASL | C |
| • Uses and users of financial statements | C |
| • Capital & Revenue expenditure | C |
| • Concepts: accruals, going concern, entity, consistency, realization, Cost, money measurement, matching, periodicity, prudence, materiality, comparability | C |
| • Cash basis & accrual basis | B |
| » Accounting Process | |
| • Accounting inputs and outputs | A |
| • Basic accounting equation | A |

- Double entry principles A
- Transactions and usage of source documents A
- Recording transactions from source documents and maintenance of prime entry books A
- Elements of Accounting: income, expenses, assets, liabilities & equity A
- Maintenance of ledger accounts A
- Classification of ledger accounts A
- Journal and its functions A
- Different types of cash books: single, double & treble column, receipts, payments, petty cash and petty cash imprest system A
- Statement of bank reconciliation A
- Balancing of ledger accounts and preparation of trial balance A
- Class of errors and correction of errors B
- Use of the suspense account A

- » **Adjustments to be incorporated in preparation of financial statements**
- Accruals and prepayments B
- Bad and doubtful debts B
- Stocks and Intentory valuations B
- Depreciation and methods of depreciation B
- Acquisition and disposal / exchange of property, plant & equipment B

- » **Preparation of financial statements for sole proprietorships**
- Trading Profit & Loss Account (Income Statement) B
- Balance Sheet (Statement of Financial Position) B
- Proprietors' Capital and Current Accounts B

- » **Manufacturing Accounts** B

- » **Control Accounts and Subsidiary Ledgers for Receivables and Payables**
- Debtors / Receivables Ledger B
- Debtors Control Account B
- Creditors / Payables Ledger B
- Creditors Control Account B
- Preparation of Financial Statements from Incomplete Records for a Sole-Proprietorship B

- » **Basic understanding of Business and Professional Ethics** C

BASIC COST ACCOUNTING (15%)

Cost Classifications

- » **Production and Non production costs**
- Distinguish between production and non production costs B
- Ascertain the elements of production cost - materials, labour, expenses, and overheads B

- Explain the elements of non production cost - administrative, selling and distribution and finance B

- » **Direct and indirect costs**
 - Identification of direct and indirect costs in manufacturing and non-manufacturing organizations B
 - Explain examples of direct and indirect costs in manufacturing and non-manufacturing organizations B

- Cost Accounting Techniques**
- » **Materials**
 - Explain different procedures and documents used in ordering, receiving and issuing of materials from stores B
 - Explain FIFO and WAC pricing methods for issuing of inventories B

- » **Labour**
 - Identification of direct and indirect labour costs B
 - Explain different procedures and documents used in recording labour cost B
 - Methods of Payment for labour B

- » **Overheads**
 - Explain the meaning of overheads with examples B
 - Distinguish between production and non production overheads B

52 ECONOMICS

Course Description

This course of basic economics intends to introduce basic principles, concepts, theories and tools and methods of analyses that are necessary to understand and analyse the impact of micro, macro and global economic environments and their changes on the business.

In brief this course discusses the theory of demand and supply, theories of consumer behaviour and production, various market structures, aggregate demand and supply, national income, inflation, government policies, world economy and the changes and trends of global economic environment and their implications to the business.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand the principal features of the economic environment.
2. Understand micro and macro economic concepts and theories.
3. Understand the impacts of micro and macro concepts and theories on the business.
4. Understand the implications of basic macro economic principles such as; aggregate demand, aggregate supply, GDP, GNP, interest rates, inflation and exchange rates.
5. Understand the impact of government economic policies on the business.
6. Understand the impacts and implications of world economy and global economic trends.

Detailed Syllabus

Level of Study

» Basic Economic Problems of Society

- Definition of economics B
- Basic economic concepts : scarcity, choice & opportunity cost B
- Production possibility curves B
- Basic economic problems : what, how and for whom to produce B
- Different types of economic systems : free market economy, planned economy and mixed economy B

» Consumer Behavior

- Indifference curve analysis C
- Utility theory C
- Consumer surplus and maximizing choice C

» Elementary Theory of Price

- Demand, supply and price determination B
- Elasticity of demand and supply B
- Theory of production : different types of costs and revenue B
- Law of diminishing returns, economies and diseconomies of scale B
- Market structures : perfect competition, oligopoly and duopoly monopoly B
- Factors of production and their returns : land and rent, labour and wages, capital & interest, entrepreneur and profits B

- » **Money and Price Level**
 - Functions of money B
 - Money supply and monetary policy, determinants of money supply, causes and effects of inflation with special reference to Sri Lanka B
 - Money supply and monetary aggregates B
 - Factors determining money supply in Sri Lanka B
 - Objectives and instruments of monetary policy in Sri Lanka B
 - Inflation and explain how inflation is measured in Sri Lanka B
 - Demand-pull and cost push inflation and the effects of inflation B

- » **National Income**
 - Gross Domestic Product, Gross National Product, Per Capita Income, Business Cycle, Rate of Economic Growth, Rate of Inflation and Rate of Unemployment B
 - Output income and expenditure methods estimating national income B
 - Gross National Product, Net National Product, National Income, Personal Income and Disposable Personal Income B
 - Describe how the Gross National Product can be used to make comparisons over time and between countries B
 - Major components of Gross National Expenditure B
 - Measurement problems of aggregate output B

- » **Government and Economics**
 - Concepts of externalities, public goods, and imperfect information B
 - Fiscal policy and its instruments; major sources of government revenue in Sri Lanka, major sources of tax revenue in Sri Lanka, proportional, progressive and regressive taxes B
 - Budget deficits and modes of financing the deficit in Sri Lanka; relationship between large budget deficits and national debt and interest rates B
 - Concepts of deregulation and privatization in the context of Sri Lanka B

- » **Current developments to the subject** C

53 BUSINESS STUDIES

Course Description

This course intends to develop knowledge and understanding of the concepts of the various types of businesses and services required by them, to describe concepts of national and international trade, to explain the basic concepts of production, marketing and finance and human resource management with regard to both small and large scale organizations.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand the basic concepts of 'Business'
2. Explain Classification of businesses
3. Aware about the services required by business: money and banking, insurance, transportation, communication
4. Describe basic concepts of National and International trade
5. Understand the Capital & Money Market in Sri Lanka

Detailed Syllabus

Level of Study

» Business Entities

- Types of business entities (Proprietorships, Partnerships, Limited Liability Companies, etc.) B
- Advantages and disadvantages of each type B

» Banking and Finance Companies

- Types B
- Duties and rights of a banker B
- Protection and liability to a collecting banker B
- Negotiable Instruments, Bills of Exchange, drafts, cheques, different types of crossings B
- Services provided by finance companies B

» Commercial Institutions Support to Business Organisations

- Chamber of commerce C
- Trade Associations C
- Advantages of membership of Trade Associations C
- Board of Investment C
- Export Development Board C
- Industrial Development Board C
- Sri Lanka Export Credit Insurance Corporation C

» Insurance

- Principles of insurance B
- Principle of "UBERIMAE FIDEI" B
- Classes of insurance - Life, Fire and Marine B

| | |
|---|---|
| » Money Market in Sri Lanka | |
| • Necessity for a money market | B |
| • Money market instruments | B |
| » Capital Market in Sri Lanka | |
| • Necessity for a share market | C |
| • Colombo stock exchange: Its organization and functions | C |
| • Share dealings procedures | C |
| • Role of the securities and exchange commission | C |
| • Unit trusts | C |
| » Export and Import Trade | |
| • Methods | B |
| • Procedures - import and export | B |
| • Documentation | B |
| » International Trade | |
| • Introduction to the International trade | B |
| • Absolute advantage and comparative advantage, Barriers to trade | B |
| • Determination of foreign exchange rates, factors affects on exchange rates. | B |
| • distinguish between a flexible exchange rate system and a fixed exchange rate system | B |
| • Balance of payments and its constituents | B |
| • Role of international financial institutions such as the IMF, World Bank, ADB and other organisations such as GAT, SAARC, WTO, SAPTA, EU | B |
| » Current developments related to the subject | C |

57 BUSINESS COMMUNICATION - I

Course Description

This module intends to familiarize students with language used in the fields of accountancy. The primary focus of this module is to equip students to deal with accounts, audit related reading, writing and speech activities to which the required language structures (grammar and vocabulary) have been integrated, as well as simple office practices such as simple letters, memos, accountancy related explanations and related practical tasks. The course also provides students with job application and interview skills. It is envisaged that the student who successfully completes this course will have an intermediate level of proficiency in the language and will be able to function at middle level in an accounts related environment.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Apply skills to communication activities related to the duties of an Accounting Technician.
2. Write grammatical language.
3. Draft business letters.
4. Prepare various forms of reports.
5. Prepare documents related to company meetings.
6. Improve the knowledge of Business English.

STUDENTS CAN ANSWER IN ANY OF THE FOLLOWING LANGUAGES (50%)

SINHALA, TAMIL, ENGLISH

Detailed Syllabus

Level of Study

| | |
|--|---|
| » Forms of Communication within an Organization | |
| • Different forms of communication: external / internal, verbal / written, upward / downward, vertical / lateral | B |
| » Language Proficiency | |
| • The writing process | B |
| • Common writing problems | B |
| • Major techniques in writing business communication | B |
| • Proper punctuation marks | B |
| • Correct grammar | B |
| • Unity and clarity | B |
| • Paragraphing | B |
| » External Written Business Communication | |
| • Different business correspondence | B |
| • Business letters | B |
| • Memorandums | B |

| | |
|--|---|
| • Agenda / minutes | B |
| • job Applications | B |
| • Reports | B |
| • E-mails | B |
| • Facsimile messages | B |
| » Forms of External Business Writing | |
| • Nature and features of business letters | B |
| • Letter of inquiring | B |
| • Letter of request | B |
| • Ordering letter | B |
| • Complaint letter | B |
| • Letter of recommendation | B |
| • Letter of congratulations | B |
| • Sales promotion letter | B |
| • Letter of appreciation | B |
| • Letter of condolence | B |
| » Responses to the following Business Letters | |
| • Letter of Inquiring | B |
| • Letter of request | B |
| • Ordering letter | B |
| • Complaint letter | B |
| • Internal Written Business Communication | |
| » Nature and needs for internal communication | B |
| • Memorandum | B |
| • Agenda / minutes | B |
| • Report | B |
| • Different types of memoranda and its formats | B |

STUDENTS CAN ANSWER ONLY IN ENGLISH MEDIUM (50%)

| | |
|--|---|
| » Grammar | |
| • Part of speech | B |
| • Subject – verb agreement | B |
| • The verb – all tense forms | B |
| • Active voice and passive voice | B |
| • Direct and indirect speech | B |
| • Reporting statements, questions, requests and orders | B |
| • Model auxiliaries | B |
| • Phrasal verbs | B |
| • Relative clauses / Phrases | B |
| • Different ways of combination of sentences | B |
| • Idioms and its usages | B |

Note:- There will be a two parts of Question Paper. Student should get minimum 40% of marks for each part to be eligible for subject pass or 50% for a permanent credits.

Intermediate Level Examination

51 BUSINESS MATHEMATICS AND STATISTICS

BUSINESS MATHEMATICS (60%)

Course Description

This course of basic mathematics intends to introduce basic principles, laws and rules that are necessary to develop an overview of application capabilities of the subject matters in the field of business, economics and finance.

In brief this course covers Number Sets, Algebra, Polynomials, Factorization, Equations, Functions, Exponential and Logarithmic Functions, Mathematics of Finance, and Graphs.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand the importance of basic mathematics for the activities of an organisation.
2. Understand the concept of simple and compound interest.
3. Compute the future and present values of single, multiple and annuity cash flows.
4. Understand the effect of compounding frequency on the effective rate of interest.
5. Use mathematics for solving the problems related to the annuities, sinking funds, and amortization.
6. Calculate and explain the use of Time Value of Money.

Detailed Syllabus

Level of Study

» Basic Mathematics

| | |
|--|---|
| • Integers, decimals and fractions | B |
| • Basic arithmetical processes | B |
| • Factorization | B |
| • Roots, powers, indices and logarithms | B |
| • Ratios, percentages and proportions | B |
| • Simple linear equations | B |
| • Simultaneous equations | B |
| • Quadratic equations | B |
| • Matrices and determinants | B |
| • Progressions | |
| • Arithmetic progressions | B |
| • Geometric progressions | B |
| • Application of progressions in business situations | B |

| | |
|---|---|
| » Financial Mathematics | |
| • Simple and compound interest | B |
| • Time Value of Money | B |
| • Future and Present value, Compound and Discounting | B |
| • Annuities and perpetuities | B |
| » Miscellaneous | |
| • Permutations, and Combinations | B |
| • Binomial Theorem | B |
| » Graphs | |
| • Selection of an axis and plotting a graph | B |
| • Parameters of a straight line graph | B |
| • Points of intersection of two graphs and its significance | B |
| • Demand and supply situation in a market | B |
| • Quadratic equations and graphs | B |
| • Costs Revenue & Profit functions and break-even point analysis | B |
| » Calculus | |
| • Basic principles of calculus | B |
| • Differentiation, Integration of functions and their business and economics applications | B |
| • Basic integration | B |

STATISTICS (40%)

Course Description

This course provides an introduction of the fundamental concepts, principles and methods of Business Statistics. The topics included in this course cover Collection and Classification of Data, Data Analysis and Tabulation, Index Numbers, Probability, Measures of Central Tendency, Measures of Dispersion, Correlation and Regression Analysis.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand the usefulness of statistics as a tool of decision making.
2. Understand the collection and presentation of statistical data.
3. Understand the basic statistical analyses in business situations.
4. Construct the simple linear regression model and use it for prediction.

Detailed Syllabus

| | Level of Study |
|--|----------------|
| » Collection and Classification of Data | |
| • Sources of statistics | B |
| • Primary and secondary data | B |
| • Continuous and discrete data | B |

| | |
|--|---|
| » Data Analysis and Tabulation | |
| • Sample frequency distributions | B |
| • Presentation in tabular, graphical and chart form including bar charts and pie charts | B |
| • Sampling techniques | B |
| • Histograms and orgives | B |
| • Frequency curves and Lorenz curves | B |
| » Index Numbers | |
| • Calculation of Laspeyer's (base weighted) Index | B |
| • Calculation of Paasche's (current weighted) Index | B |
| • Comparison of both | B |
| » Probability | |
| • Definition of probability | B |
| • Probability rules | B |
| • Conditional probability | B |
| • Random experiment | B |
| • Independent events | B |
| • Mutually exclusive events | B |
| • Tree diagram | B |
| • Bayes theorem | B |
| » Measures of Central Tendency (Centrality) | |
| • Calculation of mean, mode and median from grouped / ungrouped data | B |
| • Calculation of arithmetic mean | B |
| • Calculation of geometric mean, harmonic mean, weighted average mean quartiles deciles and percentiles | B |
| » Measures of Dispersion (spread) | |
| • Calculation of range, semi-quartile range | B |
| • Calculation of mean deviation, standard deviation, variance | B |
| • Calculation of co-efficient of variation | B |
| » Correlation / Regression Analysis | |
| • Scatter diagram | B |
| • Graphically identifying correlation | B |
| • Calculative correlation coefficient | B |
| • Calculation of coefficient of determination | B |
| • Calculation of rank correlation | B |
| • Least square regression analysis | B |

54 ACCOUNTING & CONTROL SYSTEMS

Course Description

The aim of this module is to introduce the practical aspects of accounting in view of improving the skills and knowledge in financial accounting activities in various types of business organizations and make aware the students, of the relevant systems and controls existing in a business organization.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Develop skills on application of accounting concepts and methods.
2. Develop skills on preparation of financial statements for different types of organizations.
3. Understand the basic Accounting Ratios.
4. The need of Accounting Standards, and the framework for the preparation and presentation of financial statements.
5. The Relevance of Sri Lanka Accounting Standards.
6. Understand the need of Basic Control Systems in a Business Organization.

ACCOUNTING (70%)

Detailed Syllabus

Level of Study

» Partnerships Accounts

- | | |
|--|---|
| • Formation of partnerships Basic understanding of partnership ordinance of 1890 | B |
| • Partnership agreement and relevant sections of partnership ordinance applicable to partnership accounting | B |
| • Partners' capital and current accounts | B |
| • Appropriation of profits and losses including adjustments for guaranteed minimum share of profits | B |
| • Interest on drawings and capital and current accounts, annual accounts of partnerships | B |
| • Preparation of financial statements with the changes in composition of the partnership in a financial year | B |
| • Adjustments for goodwill, revaluation of assets / liabilities on admission and retirement of partners or changes in profit sharing ratio | B |

» Company Accounts

- | | |
|---|---|
| • Basic understanding of formation of companies and related documents as per Companies Act No. 07 of 2007 | B |
| • Requirements of maintaining the accounts in a company as specified in Companies Act No.07 of 2007. | B |
| • Preparation of journal entries and ledger accounts for issue of shares including bonus and rights issues and issue of debentures - (Excluding issue of shares on step by step method) | B |
| • Accounting for provisions, reserves | B |

» Preparation of financial statements of companies for management purposes (for internal use)

- | | |
|---|---|
| • Comprehensive Income Statement (Income Statement) | B |
| • Statement of Financial Position (Balance Sheet) | B |
| • Notes to the Financial Statements | B |

- » **Computation of Accounting Ratios Using Accounting Information for Interpretation of Financial Statements**

Computation of following commonly used ratios

 - Primary ratio B
 - Secondary ratio B
 - Gross profit ratio and net profit ratio B
 - Liquidity ratios / short term solvency ratios B
 - Gearing ratios / long term solvency ratios B
 - Efficiency / turnover ratios B
 - *Preparation of financial statements using a given set of ratios* B

 - » **Preparation of Financial Statements for Non-Profit Organizations including Charitable Institutions, Clubs & Associations** B
 - Accounting for Statutory Deductions B
 - Accounting for payroll transactions including PAYE, EPF and ETF B
 - Accounting for Value Added Tax (VAT) and Withholding Tax (WHT) B

 - » **Sri Lanka Accounting Standards**
 - Preface to the Sri Lanka Accounting Standards C
 - Need for Accounting Standards C
 - General awareness of SLFRS and LKAS C
 - Framework for the preparation and presentation of financial statements issued by ICASL B
 - LKAS 02 - Inventories B
 - LKAS 16 - Property, Plant & Equipments B
- CONTROL SYSTEMS (30%)**
- » **Systems & Procedures**
 - Design of systems of accounting and internal controls C
 - Essential Features of a good internal control system C

 - » **Control environment and control procedures**
 - The control environment – Definition & types C
 - Control procedures – Definition & types C
 - Organisation C
 - Segregation of duties C
 - Physical controls C
 - Authorization and approval C
 - Arithmetical and accounting C
 - Personnel C
 - Supervision C
 - Management C
 - Acknowledgement of performance C
 - Budgeting C
 - Segregation of duties C

» **Internal controls in specific areas of a business**

Objectives & Internal control measures over the following areas

- Receipts & Payments B
- Cash and cash equivalents B
- Salaries and Wages B
- Sales and Receivables B
- Purchases and Payables B
- Property, Plant and Equipment B
- Inventories B
- Limitations of internal controls B

» **Frauds & Errors**

- Frauds - Definition & Types C
- Errors - Definition & Types C
- Clerical Errors C
- Errors of Omission; C
- Errors of Commission C
- Errors of Principle C
- Compensating Errors or Off - setting Errors C
- Errors of Duplication C

» **Internal Audit**

- Internal Audit - Definition & Objectives B
- Internal Auditor and External Auditor - Relationships B
- Distinction between Internal Audit and External Audit B
 - Appointments B
 - Qualifications B
 - Status - Independence B
 - Scope of Work B
 - Objectives B
 - Conduct of Audit B
 - Determination of Duty B
 - Removal B

55 INFORMATION MANAGEMENT & APPLICATION IN BUSINESS

Course Description

The aim of this module is to develop knowledge and understanding of Information Systems, use of Information Systems in business functions, essential aspects of business Information Systems development and delivery, and the use of such systems for information management with an adherence to the proper controls and standards, as required to take an informed and active role in organizational information management.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand Information Technology fundamentals
2. Understand Information & Management levels
3. Understand the types of Information Systems
4. Understand Accounting Software Applications and Packages
5. Understand Computer hardware and Computer software
6. Understand Computer network and internet services
7. Understand Security and control issues and solutions
8. Understand Information system development

Detailed Syllabus

Level of Study

» Information Technology

- | | |
|--|---|
| • Data and Information | C |
| • Data Processing | C |
| • A system | C |
| • An Information System | C |
| • Functions of the Information System: | C |
| • Examples of Information Systems | C |
| • Information Technology (IT) | C |
| • Computing technology | C |
| • Communication technology | C |
| • Information management technology | C |

» Information & Management levels

- | | |
|---------------------------------|---|
| • Structure of an organization | B |
| • Strategic management | B |
| • Tactical Management | B |
| • Operational Management | B |
| • Decision making process | B |
| • Importance of the information | B |
| • Values of information | B |
| • Types of information | B |

| | |
|---|---|
| » Types Of Information Systems | |
| • Manual Information systems | B |
| • Semi manual Information systems | B |
| • Computer-Based Information System (CBIS) | B |
| • Formal and Informal Information Systems | B |
| • Process Controlling Systems | B |
| • Transaction Processing Systems | B |
| • Office Automation System | B |
| • Management Information systems | B |
| • Decision Support Systems | B |
| • Executive Support Systems | B |
| • Functional Information Systems in an Organization | B |
| • Enterprise Resource Planning (ERP) | B |
| » Review Of Computers | |
| • What is a Computer? | C |
| • Why are computers so important to us? | C |
| • Main component of a computer | C |
| • Computer Hardware | C |
| • Computer Software | C |
| • Communication | C |
| • The Evolution of Computer Systems | C |
| • Types of Computers | C |
| • Data / Information Storage within a Computer | C |
| » Computer Hardware | |
| • The System configuration | C |
| • Input Devices | C |
| • Output Devices | C |
| • Central Processing Unit (Micro processor Chip) | C |
| • Random Access Memory(Memory Modules) | C |
| • Secondary storage | C |
| » Computer Software | |
| • Classification of software | C |
| • System software | C |
| • Operating System (OS) | C |
| • System Support/Utility programs | C |
| • Language Translators | C |
| • Application software | C |
| • Application software | C |
| • General Purpose Software | C |

| | |
|---|---|
| • Word processing | C |
| • Spreadsheet | C |
| • Presentation | C |
| • Web Browser | C |
| • PIM | C |
| • Graphic | C |
| • Email | C |
| • Multimedia players | C |
| • Video Editors | C |
| • Desktop publishing | C |
| • Application Specific Software | C |
| • Some other Classification of Application Software | C |
| • Introduction to Accounting software | C |
| » Accounting software | |
| • Spreadsheet software | B |
| • Accounting packages | B |
| • Accounting packages in Sri Lanka | B |
| • Database Management Systems | B |
| • Advantages of DBMS | B |
| » Computer Networks | |
| • What is a Network | C |
| • Network hardware equipments | C |
| • Commutation medias | C |
| • Types of Network | C |
| • Local Area Network | C |
| • Wide Area Network | C |
| • Intranet | C |
| • Extranet | C |
| • Internet | C |
| • Services of Internet | C |
| » Security and Control | |
| • Why security is important | B |
| • Threats for computer based information systems | B |
| • Issues in Information systems | B |
| • information system controls | B |
| • General controls | B |
| • Application controls | B |
| • Network controls | B |

| | |
|--|---|
| » Information System Development | |
| • Importance of Information system development | C |
| • System Development Life cycle (SDLC) | C |
| • System Investigation | C |
| • System Analysis | C |
| • System Design | C |
| • System Implementation | C |
| • System Maintenance | C |
| • Prototyping method | C |
| • End User development | C |
| • Outsourcing | C |
| • Comparison of Approaches | C |
| » Disaster Recovery Plan | |
| • Importance of disaster recovery plan | B |
| • Short-term plans | B |
| • Middle-term plans | B |
| • Long-term plans | B |
| » Current developments related to the subject | C |

56 BUSINESS LAW AND MANAGEMENT

BUSINESS LAW (50%)

Course Description

This course intends to develop knowledge and understanding of the underlying principles relating to business law and industrial law in a business environment of Sri Lankan context.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. An understanding of the legal system and how it is applicable in the business environment.
2. An understanding of principles of law of contract including contract of agency and sale of goods and how it is applicable in the business environment.
3. An understanding of principles of law of negotiable instruments and how it is applicable in the business environment.
4. An understanding of principles of industrial law and how it is applicable in the business environment.
5. An understanding of law of prescription and how it is applicable in the business environment.

Detailed Syllabus

Level of Study

» Legal System

- Classification of Civil and Criminal law C
- Sources of law C
- Personal laws C
- The judicial system C

» The law of contract

- Definition of contract B
- Offer B
- Acceptance B
- Consideration B
- Contractual capacity B
- Legal object B
- Genuineness of consent B
- Intention to create legal relationship B
- Terms of a contract B
- Discharge of a contract B

» The law of agency

- General nature of agency B

| | |
|---|---|
| • Types of agents | B |
| • Creation of agency | B |
| • The authority of agent | B |
| • Duties of agency | B |
| • Termination of agency | B |
| • The law of sale of goods | B |
| • Formation of contract of sale | B |
| • Passing of property | B |
| • Transfer of title by non owners | B |
| • Delivery | B |
| • Acceptance and payment | B |
| • Remedies of the seller | B |
| • Remedies of the buyer | B |
| » The law of negotiable instruments | |
| • Characteristics of negotiable instruments | B |
| • Characteristics of a bill of exchange | B |
| • Cheques and crossings | B |
| • Promissory notes | B |
| • Holder in due course | B |
| • Acceptance and payment | B |
| • Dishonour of a bill | B |
| • Endorsement of a bill | B |
| • Liability of parties on the bill | B |
| » The industrial law | |
| • The independent contractor and employee | C |
| • Employees' Provident Fund Act | C |
| • Employees' Trust Fund Act | C |
| • Payment of Gratuity Act | C |
| • Wages boards ordinance | C |
| • Shops and office employees' Act | C |
| • Factories ordinance | C |
| • Workmen compensation Act | C |
| • Maternity benefits ordinance | C |
| • Women, young persons and children Act | C |
| • Industrial Disputes Act | C |
| • Termination of employment | C |

MANAGEMENT (50%)

Course Description

This is an introductory course on basic concepts and theoretical foundations of management. The course is aimed at providing the students with theoretical and conceptual understanding in management for the purpose of interpreting various management scenarios. This involves discussions about basic concepts, business and management, functions of management, introduction to office management, and introduction to marketing management.

Learning Outcomes

On satisfactory completion of this course the student should be able to:

1. Compare and contrast the concepts of 'Organization' and 'Business'.
2. Describe major business functions.
3. Explain the meaning of 'Management'.
4. Identify different environmental forces, the sources of them and their impacts on business.
5. Describe the evolution of management thoughts.
6. Describe the process of rational decision making.
7. Basic elements of a business plan.
8. Identify core HRM functions for a business organization.
9. Leaders and Managers in business organizations.
10. The basic needs of employees and develop a motivation plan for a small business.
11. Describe the meaning and requirements as of effective communication.
12. Explain the meaning of management control and identify major controlling techniques in action in a business organization.
13. Explain the fundamental elements in a marketing mix.

Detailed Syllabus

Level of Study

» Understanding a Business

- What is an organization and business? C
- Elements of organizations C
- Formal & Informal Organizations C
- Definition of a Business C
- Elements of a Business C
- Business Functions C
- Business Ethics C

» Understanding the Nature of Management

- Definition of Management C
- Efficiency, Effectiveness and Productivity B
- Need of Management C
- Types of Managers B
- Roles of Managers C
- Managerial Skills C
- Business, Business Environment and Society B

| | |
|--|---|
| » Evolution of Management Thought | |
| • Introduction to Evolution of Management Thought | C |
| • Administrative theory | C |
| • Scientific Management | C |
| • Bureaucracy | C |
| • The behavioural approach | C |
| • The system approach | C |
| • Contingency approach | C |
| • Japanese approach | C |
| » Decision Making | |
| • Definitions of Decision Making | C |
| • Types of Decisions (rational, Irrational, Programmed, Non-programmed) | B |
| • Steps in Rational Decision Making | B |
| » Process of Planning | |
| • Meaning and Definition of planning | C |
| • Benefits of Planning | C |
| • Elements of a Plan (Vision, Mission, Goals, Objectives, Strategies, Programs, Projects, Policies, Procedures, Budgets, Rules) and their meanings | B |
| • Types of Plans (Corporate, Strategic, Tactical, Functional, Operational, Single use, Standing) | C |
| » Process of Organizing | |
| • Meaning and Definition of Organizing | C |
| • Basic steps of Organizing Process | B |
| • Meaning of Organization Structure | C |
| • Meaning of Structural Elements (Specialization, Departmentation, Hierarchy, Span of Management, Delegation, Formalization, Coordination) | C |
| » The Process of Staffing | |
| • Definition | C |
| • Significance | C |
| • Introduction of HRM Functions | B |
| » Process of Leading | |
| • Meaning and Definition of Leadership | C |
| • Power and leadership | C |
| • Leadership vs. Managership | B |
| • Different Dimensions of Leadership (Leadership Traits, Leadership Behaviours, Environment) | C |
| <i>(No Leadership theory is expected)</i> | |

- » **Employee Motivation**
 - Meaning and Definition of Work Motivation C
 - Work Motivation as a process C
 - Content of Human Motivation (Different types of Human Needs) B

(No motivation theory is expected)

- » **Communication in Organization**
 - Meaning and Definition of Communication C
 - Process of communication B
 - Types of communication B
 - Barriers to effective Communication B

- » **Office Management**
 - Meaning and Definition of an Office C
 - Functions of an Office C
 - Functions of an Office Manager C
 - Fundamentals of Record Management B
 - Fundamentals of Filing B

- » **Introduction to Marketing**
 - Meaning and Definition of Marketing C
 - Core Concepts of Marketing B
 - Marketing Management Philosophies / Orientations B
 - Basics concepts in Marketing Mix C

Note: To be considered for a pass in BL & M a candidate should obtain a minimum 40% or 50% as the case may be, in each of the parts Business Law as well as Management .

Final Level Examination

58 TAXATION

Course Description

This module aims to impart knowledge of the law of taxation and its application to resident individuals and entities. In addition to that, administration of the tax services and corporate tax compliance matters are also covered. Also this syllabus aims to ensure that the students possess a sound knowledge of the principles of Income Tax, Value Added Tax, and Stamp Duty and are able to apply this knowledge and skills to Business situations.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Ascertain the tax liability of an individual or a company.
2. Understand the basic statutory provisions relating to withholding taxes, payments, returns, assessments, appeal settlement procedure and refunds.
3. Understand the obligations of a partnership under the income tax law.
4. Describe the basic principles of the operation of Value Added Tax and computation of VAT in a non complicated situation.
5. Describe the basic principles of Economic Service Charge, Stamp Duty and Nation Building Levy.
6. Handle the responsibilities of a medium scale organization under Sri Lankan tax laws.

Changes in Tax Laws

As the tax laws are amended frequently knowledge in tax laws shall be subject to the following policy.

1. Income tax - Questions in relation to a particular year of assessment will not be set before expiry of six months from the end of year of assessment.
2. Other taxes - Questions will not be set within six months from the effective date of any amendment.

Detailed Syllabus

Level of Study

» Income Tax Liability of a Resident Taxable Person

- Basis of chargeability for income tax. A
- Establishment of the residence of an individual or a company. A
- Computation of statutory income from following sources of income.
 - Trade, business, profession or vocation (excluding complicated situations and specific undertakings such as insurance, banking, leasing and shipping etc). A
 - Employment, net annual value and rent income. A
 - Dividends, interest, discounts, charges and annuities. A
 - Royalties, premiums and profit on sale of shares. A
 - Winnings from lottery, betting or gambling. A
 - Income from any other source. A

- Computation of total statutory income, assessable income, taxable income and the income tax liability of a resident person - Individual. A
- Computation of total statutory income, assessable income, taxable income and the income tax liability of a resident - Companies. B
- Computation of balance income tax payable after taking in to account of various tax credits including withholding taxes and Economic Service Charge. B

- » **Special Cases**
 - Computation of divisible profit or loss and the liability of a partnership for Income tax and the tax credits available to partners thereon. B
 - Liability of a company for Dividend Tax, Deemed Dividend Tax and Social Responsibility Levy. B

- » **Tax Administration and Withholding Tax System**
 - Self assessment tax payments. C
 - Return of Income and consequences of non-submission of Return in time. C
 - Accounts and other information to be submitted with return. C
 - Issue of assessments and time-bar provisions. C
 - Characteristics of a valid appeal and appeal settlement procedure. C
 - Finality of assessments and penalty for incorrect returns. C
 - Tax refunds and recovery actions. C
 - Withholding system. C
 - Pay as you earn scheme (PAYE),
Deduction of tax from interest, dividends,
Government rewards and lottery prizes etc.

- » **Important Concepts and Case Law**
 - Profits from an adventure or concern in the nature of trade and capital gains not liable for income tax C
 - Expenses and out goings incurred in production of income and expense in capital nature C
 - Application of facts of following tax cases C
 - Wickremasinghe vs. CIT
 - Rajaratnam vs. CIR
 - Mahawitharana vs. CIR
 - Ram Iswara vs. CIR
 - CIT vs. De Zoysa
 - Rajapakse vs. CIT
 - Hayley & Co. Ltd vs. CIR
 - New Portman Ltd. Vs. Jayawardena and others

- » **Interpretation of following terms as per of the Inland Revenue Act.** C
 - Authorised Representative
 - Business
 - Child
 - Executive Officer
 - Precedent Partner
 - Trade
 - Authorised Representative

» **Value Added Tax**

- Chargeability for VAT. B
- Registration and deregistration. B
- Taxable and excluded supplies. B
- Exempted supplies (few examples). B
- VAT rates. B
- Computation of out-put tax, in-put tax and balance tax payable of a non complicated situation. B
- Tax Invoice and VAT Return. B

» **Basic Understanding of Other Taxes**

- Economic Service Charge. C
- Stamp Duty. C
- Nation Building Tax. C

59 MANAGEMENT ACCOUNTING & BUSINESS FINANCE

Course Description

This course intends to ensure that the students have acquired a sound knowledge in decision making techniques and their applications in Management Accounting and are able to prepare reports analyzing the position and performance of business.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Explain and describe main features of job, batch, contract, process, operation / services costing.
2. Select the method of cost calculation appropriate for a given set of circumstances from absorption and marginal costing.
3. State the elements of cost for a given product or service and describe in general how these elements may be ascertained.
4. Prepare income / profitability statement using marginal and absorption costing and reconcile the profits of the two statements.
5. Describe the nature and purposes of standards and standard costs for products and services.
5. Explain the role of forecasts, budgets and targets in terms of planning, control and motivation.
7. Select approaches and methods for the budgeting process which are consistent with a given business's stated objectives and circumstances.
8. Identify and evaluate alternative sources of business finance.
9. Carryout investment appraisals for decision making.

MANAGEMENT ACCOUNTING (75%)

Detailed Syllabus

Level of Study

» **Cost and management accounting and financial accounting**

- Describe the role of cost and management accounting within an organisation's management information system. B
- Compare financial accounting with cost and management accounting. B
- Explain the meaning of cost, profit, investment and revenue centres. B

» **Overheads**

- Explain the procedures involved in calculation of production overhead absorption rates.
- 1. Allocation and apportionment of production overheads to cost centres using an appropriate basis. B
- 2. Reapportionment of service cost centre costs to production cost centres. (using the reciprocal method where service cost centres work for each other) B
- 3. Selection and application of appropriate bases for absorption rates. B
- Describe methods of relating non-production overheads to cost units. B

» **Materials**

- Identification and Explanation of Ordering Cost and Holding Cost. B
- Calculation of Optimal (Economic) recorder quantities with and without Quantity Discounts. B
- Establishment of recorder levels where demand in the lead time is constant. B
- Establishment of Maximum and Minimum Stock Levels. B

» **Cost Book Keeping**

- Distinguish between interlocking and integrated methods of cost book keeping. B
- Preparation of operating statement using inter locking method of book keeping. B
- Preparation of operating statement using integrated method of book keeping. B
- Reconciliation of financial accounting profit with cost accounting profit when inter locking accounting system is used. B

» **Marginal and Absorption Costing**

- Explain and apply, the concepts of marginal cost and contribution. B
- Explain the effect of absorption and marginal costing on inventory valuation and profit determination. B
- Calculation of profit under absorption and marginal costing. B
- Reconciliation of profits calculated under absorption and marginal costing. B
- Explain the advantages and disadvantages of absorption and marginal costing B

» **Job Costing, Batch Costing & Contract Costing**

- Explain the characteristics of job and batch costing. B
- Explain the features of Job / Batch cost card. B
- Explain the situations where the use of job or batch costing is suitable. B
- Preparation of cost records and accounts in job and batch costing situations. B
- Calculation of job costs from given information. B

» **Process Costing**

- Explain the characteristics of process costing. B
- Explain the situations where the use of process costing is suitable. B
- Explain the concepts of normal and abnormal losses and abnormal gains. B
- Calculation of the cost per unit of process outputs. B
- Preparation of process accounts for situations involving normal losses abnormal losses and abnormal gains B

- Explain the concept of equivalent units and calculate equivalent units. B
 - Preparation of a process accounts using the weighted average and FIFO methods. B
 - Preparation of process accounts in situations where -
 1. There is no work in progress B
 2. There is work in progress B
 3. There are losses and gains identified at different stages of the process. B
 - Explain the difference between by-products and joint products. B
 - Explain accounting treatment for by products. B
 - Explain different basis of apportionment joint cost among by products.
 1. Physical Units basis B
 2. Sales Revenue basis B
 3. Net Sales Revenue basis B
 - Preparation of process accounts in situations where by-products and/or joint products exists. B
- » **Service / Operation Costing**
- Explain situations where the use of service/operation costing is appropriate. C
 - Explain the characteristics of service costing. C
 - Illustrate suitable unit cost measures that may be used in different service/operation situations. C
 - Carry out service cost analysis in simple service industry situations. Ex - Transport Industry. B
- Budgeting**
- » **Nature and Purpose of Budgeting**
- Explain why organisations prepare budgets. B
 - Explain the administrative procedures followed in the budgeting process. B
 - Explain the different stages in the budgeting process. B
 - Explain the functions of budget committee, and budget manual. B
 - Explain the terms budget centre, budgetary cost allowance, budgetary control and Responsibility Accounting. B
- » **Functional budgets**
- Describe the meaning of the term 'principal budget factor'. B
 - Preparation of sales, production, materials (usage and purchases), labour and overheads, budgets B
 - Preparation of Cash Budget and Master Budget. (i.e Budgeted Profit and Loss Account and Balance Sheet). B
 - Explain the concept of zero based budgeting, Its advantages and disadvantages. B
- » **Flexible Budgets**
- Describe and prepare fixed and flexible budgets. B
 - Preparation of budgetary control statement using flexible budget. B
 - Explain the usefulness of flexible budgets. B
- Standard Costing**
- Explain the meaning of standard cost and standard costing. B
 - Explain the use of standard costs. B
 - Explain different types of standards

| | |
|--|---|
| Basic Standards | B |
| Ideal Standards | B |
| Attainable Standards | B |
| Current Standards | B |
| • Ascertain the standard cost per unit under absorption costing and marginal costing | B |
| » Basic variance analysis under absorption and marginal costing | |
| • Calculate and interpret the following variances: Materials, Labour, variable overhead, Fixed overhead | B |
| Sales price, volume, mix and quantity variances based on standard profit margins. | B |
| • Explain possible causes for above variances. | B |
| • Identify the interrelationships between above variances. | B |
| • Calculation of actual or standard figures where the variances are given. | B |
| • Calculate Activity Ratio, Volume Ratio and efficiency ratio. | B |
| » Reconciliation of budgeted profit and actual profit | B |
| • Reconcile budgeted profit with actual profit under standard absorption costing and standard marginal costing. | B |
| Short-Term Decision-Making Techniques | |
| » Cost-volume-profit (CVP) analysis | |
| • Explain major assumptions underlying CVP analysis. | B |
| • Calculate and explain the meaning of break-even point, margin of safety and contribution sales ratio. | B |
| • Calculate the volume required to achieve a target profit. | B |
| • From the given data prepare traditional and contribution break-even charts and Profit/volume charts. | B |
| • Perform CVP analysis to single-product and Multi-products situations. | B |
| » Relevant costing | |
| • Describe the concept of relevant costing. | B |
| • Calculate the relevant costs for materials, labour, overheads and machinery. | B |
| • Explain and apply the concept of opportunity cost. | B |
| » Limiting factors | |
| • Identify a single limiting factor from the given information. | B |
| • Determine the optimal product mix where an organisation is restricted by a single limiting factor. | B |
| » Make-or-buy and other short-term decision making | |
| • Describe the issues involved in make vs. buy and outsourcing decisions. | B |
| • Compare “make” costs with “buy-in” costs to identify least cost option. | B |
| • Compare in-house costs and outsource costs of completing tasks and consider other issues surrounding this decision. | B |
| • Apply relevant costing principles for shut down, one-off contracts and the further processing of joint products decisions. | B |

BUSINESS FINANCE (25%)

Cost of Capital

- » **Sources and Users of Finance** C

- » **Estimating the cost of equity**
 - Apply the dividend growth model and discuss its weaknesses B

- » **Estimating the cost of debt and other Capital instruments**
 - Calculate the cost of capital of a range of capital instruments, including:
 - Irredeemable debt B
 - redeemable debt B
 - convertible debt B
 - preference shares B
 - bank debt B

- » **Estimating the overall cost of capital**
 - Distinguish between average and marginal cost of capital. B
 - Calculate the weighted average cost of capital (WACC) using book value and market value weighting. B

Investment Appraisal

- » **The nature of investment decisions and the appraisal process**
 - Explain the difference between capital and revenue expenditure. C
 - Describe the role of investment appraisal in the capital budgeting process. C
 - Describe the stages of the capital budgeting process. C

- » **Non-discounted cash flow techniques**
 - Identify and calculate relevant cash flows for investment decisions. B
 - Calculate payback period and discuss the usefulness and limitations of payback as an investment appraisal method. B
 - Calculate return on capital employed (accounting rate of return) and discuss its usefulness and limitations as an investment appraisal method. B

- » **Discounted cash flow (DCF) techniques**
 - Explain the meaning of time value of money. C
 - Explain the methods of Discounted Cash Flow, Net Present Value (NPV), Internal Rate of Return (IRR), Discounted Pay back Period (DPP), Profitability Index (PI), Net Terminal Value (NTV). B
 - Calculation of present values, including the present value of an annuity and perpetuity, and the use of discount and annuity tables. B
 - Calculate net present value and discuss its usefulness and limitations as an investment appraisal method. B
 - Calculate internal rate of return and discuss its usefulness and limitations as an investment appraisal method. B
 - Explain the superiority of DCF methods over non-DCF methods B
 - Compare the relative merits of NPV and IRR. C

60 ADVANCED FINANCIAL ACCOUNTING

Course Description

The aim of this module is to enhance the ability of preparation and presentation of financial statements in accordance with the Generally Accepted Accounting Principles and Sri Lanka Accounting Standards.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Apply accounting methods, controls and techniques adopted in organizations.
2. Prepare and present financial statements of business organization.
3. Learning of accounting treatment for branch Activities.
4. Basic interpretation of financial statements.
5. Basic understandings of public sector accounting.
6. Learning how accounting transactions are processed by using information technology.

The knowledge of accounting acquired at Foundation Level and Intermediate Level is extended to this level so as to apply the accounting principles to practical accounting problems dealt with in the Final Level. Therefore, it is expected from the candidates that they should study the topics introduced at the Foundation Level and Intermediate Level in greater depth with the contents of the new topics introduced in the Final Level.

Detailed Syllabus

Level of Study

| | |
|---|---|
| » Regulatory Framework | |
| • Relevance of company law in preparation of company accounts | C |
| • Applicability of Sri Lanka Accounting and Auditing Standards Act | C |
| • Other regulatory requirements such as SEC, CSE, etc. | C |
| » Sri Lanka Accounting Standards | |
| • LKAS 01 - Presentation of financial statements | A |
| • LKAS 07 - Cash Flow statements | B |
| • LKAS 08 - Accounting Policies, Changes in Accounting Estimates and Errors | B |
| • LKAS 10 - Events after the Balance Sheet Date | B |
| • LKAS 11 - Construction Contracts | B |
| • LKAS 12 - Income Taxes | B |
| • LKAS 17 - Leases | B |
| • LKAS 23 - Borrowing Costs | B |
| • SLFRS 03 - Business combinations | B |
| • LKAS 27 - Consolidated and Separate Financial Statements | B |
| • LKAS 18 - Revenue | B |
| • LKAS 37 - Provisions, Contingent Liabilities and Contingent Assets | B |
| • LKAS 38 - Intangibles/Assets | B |
| • Sri Lanka Accounting Standards for Smaller Enterprises (SLASSE) | B |
| » Partnership Accounts | |
| • Accounting for Life Insurance Policies | B |
| • Dissolution of partnerships (Excluding Piece Meal Dissolution) | B |
| • Amalgamation of partnerships | B |
| • Sale and conversion of a partnership to a Limited Liability Company | B |

| | |
|---|---|
| » Miscellaneous Accounts | |
| • Accounting for branches Decentralized accounting system | B |
| • Accounting for investments | B |
| • Leasing (Buyer and Seller's Books) | B |
| » Company Accounts | |
| • Redemption of shares & debentures | A |
| • Preparation and presentation of financial statements for publication purposes with relevant disclosures specified in Sri Lanka Accounting Standards | A |
| • Bonus Issue and Share split | A |
| » Basic Consolidated Financial Statements (Groups with one subsidiary only, excluding foreign subsidiaries) | |
| • Preparation of basic consolidated statement of Financial Position | B |
| • Preparation of basic consolidated statement of comprehensive Income | B |
| • In this context the following adjustments are to be tested: | |
| ○ Provision for unrealized profit for stock and other tangible assets | B |
| ○ Elimination of inter company indebtedness | B |
| ○ Revaluation of PPE of subsidiary | B |
| ○ Adjustment for inter company income and expenses including inter company dividends | B |
| ○ Computation of Goodwill/ gain from a bargain purchase, non controlling interest & consolidated reserves | B |
| » Interpretation of Financial Statements | |
| • Uses and limitations of accounting ratios | B |
| • Computation of commonly used accounting ratios including investors ratios | B |
| • Interpretation of financial statements using given ratios and preparation of a simple report | B |
| » Cash Flow Statement (Excluding Group Cash Flow Statements) | |
| • Usefulness of cash flow statements | B |
| • Preparation of cash flow statements (direct / indirect method) in terms of LKAS 07 | B |
| » Regulatory and Institutional Framework in Public Sector | |
| • Relevance of Finance Act No. 38 of 1971 | C |
| • Constitutional provisions relating to public finance | C |
| • Financial regulations - financial management and public accountability | C |
| • Other regulatory requirements | C |
| • Parliament, Cabinet of Ministers, Ministries and Departments, Auditor - General, Provincial Councils, Local Authorities and State Owned Enterprises | C |
| » Parliamentary Control of Public Finance | |
| • Consolidated fund, contingencies fund and provincial funds | C |
| • Budget process and Parliament | C |
| • Budget formulation - preparation of revenue and expenditure estimates | C |
| • Audit of accounts and Auditor General's reports | C |
| • Committee on Public Enterprises (COPE) and Committee on Public Accounts (COPA) review | C |

61 AUDITING

Course Description

This syllabus is designed to provide the students with a basic understanding of all aspects of auditing. These include accepting and planning the audit, evaluating internal controls, verifying account balances and financial statement assertions, reporting on audited financial statements, as well as auditing standards, and professional and personal ethical responsibilities of auditors.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Understand the nature and purpose of auditing.
2. Describe the regulatory framework governing the external audit of financial statements, including an understanding of Sri Lanka Auditing Standards where appropriate and Professional Ethics and codes of conduct are observed.
3. Describe the rights, duties and professional obligations of an auditor.
4. Explain the process of planning an audit and the necessity for an appropriate audit programme taking into account audit evidence and audit risk.
5. Describe the audit evidence required in specified situations.
6. Describe the audit work required at the final review and report stage of an audit.

Detailed Syllabus

Level of Study

| | |
|--|---|
| » Introduction to Auditing | |
| • Definition of Audit | C |
| • Origin of Audit | C |
| • Difference between Accounting, Auditing and Investigation | C |
| • SLAuS 200 – Objective & General Principles Governing an Audit of Financial Statements | B |
| • Determining the Scope of Audit | C |
| • Objects of Audit | |
| Main Object - Expression of Expert Opinion | C |
| Secondary Objectives-Detection and Prevention of Frauds and Errors | C |
| • Sri Lanka Accounting and Auditing Standards Act No 15 of 1995 | B |
| • SLAuS 240 - The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements | B |
| • Different classes of Audit | B |
| • Advantages of an Audit - Audits of different types of entities and their advantages. | C |
| » Audit Planning and Supervision | |
| • SLAuS 300 – Planning an Audit of Financial Statements | B |
| • Documenting the Audit Plan | C |
| • Considerations at the Commencement of a New Audit | C |
| • SLAuS 315 – Understanding the Entity and its Environment and Assessing the Risk of Material Misstatement | B |
| • SLAuS 330 – The Auditor's Procedures in Response to Assessed Risks | B |
| • SLAuS 210 – Terms of Audit Engagements | B |
| • SLAuS 220 – Quality Control for Audits of Historical Financial Information | C |
| • SLAuS 620 – Using the Work of an Expert | C |

| | |
|---|---|
| • SLAuS 600 – Using the Work of Another Auditor | C |
| • Documentation of Audit work and Audit Files. | B |
| • SLAuS 230 – Documentation | B |
| • Audit Working Papers, Retention & Ownership | C |
| • SLAuS 320 – Audit Materiality | C |
| » Execution & Reviewing the Audit | |
| • Compliance to Accounting Standards, Auditing Standards and Enactments | C |
| • SLAuS 500 – Audit Evidence | B |
| • Tests of Controls & Substantive Procedures - Definitions. | C |
| • Gathering Audit Evidence | C |
| • Auditing in Depth & Test Checking | C |
| • SLAuS 520 – Analytical Procedures | A |
| • SLAuS 530 - Audit Sampling and other Means of Testing | C |
| • SLAuS 580 - Management Representations | C |
| • SLAuS 610 – Considering the Work of Internal Audit | C |
| » Auditing in a Computer Information System Environment | |
| • Problems in an EDP Environment | C |
| • Controls in an EDP Environment | |
| General Controls | C |
| Application Controls | C |
| • Computer Frauds | B |
| • Audit approach in an EDP Environment | C |
| • Computer Audit Programs | C |
| » Test of Control and Substantial Procedures | |
| • Property Plant & Equipments, Trade & Other Receivables, Investments | C |
| • Inventories, Cash & Bank Balances, Long Term Liabilities, Bank Overdrafts | C |
| • Trade & Other Payables, Revenue, Purchases, Expenses | C |
| • Stated Capital & Reserves | C |
| • Dividends | C |
| • Contingent Liabilities | C |
| • Auditing of Expenses | C |
| • SLAuS 505 – External Confirmations | C |
| • SLAuS 510 – Initial Engagement – Opening Balances | C |
| » Tests of Controls & Substantive Procedures - Inventory and Work in Progress | |
| • The Duty of an Auditor in connection with Stocks & Work in Progress | C |
| • Physical Verification of Stocks, Attendance of Auditor during physical verification of Stocks & examination of records. | A |
| • Ensuring the ownership over the stocks | C |
| • Cut off Procedures | B |
| • Methods used in the Valuation of different classes of Stocks & Work in Progress | C |

- » **Typical Audit Programs and Internal Control Questionnaires on Specific Items**
 - Cash & Petty Cash C
 - Bank Balances & Bank Reconciliation Statements C
 - Wages & Salaries C
 - Loans & Advances C
 - Purchases & Purchases Returns C
 - Sales & Sales Returns C
 - Trade Receivables & Payables C
 - Inventories C

- » **Auditing in the Public Sector**
 - Provisions of the Constitution of the Democratic Socialist Republic of Sri Lanka C
 - Provisions of the Finance Act No.38 of 1971 C
 - The Committee on Public Enterprises - COPE C
 - The Committee on Public Accounting - COPA C

- » **Audit of Limited Companies – Companies Act No.07 of 2007**
 - Qualifications of an Auditor of a Limited Company C
 - Disqualifications C
 - Appointment of the First auditor C
 - Subsequent appointments C
 - Appointment of auditor by special resolution, casual vacancies C
 - Powers of the Board of Directors to appoint auditor C
 - Removal of Auditor C
 - Remuneration and Expenses of an Auditor C
 - Rights, Powers and Duties of an Auditor C

- » **Audit of Limited Company – Specific Considerations**
 - Audit of Financial Statements – Statutory Requirements C
 - Books of Accounts and Statutory Records to be kept by the Company C
 - Annual Accounts and Balance Sheet - Disclosures and Presentation. C
 - LKAS 01 - Presentation of Financial Statements B

- » **Corporate Governance, Compliance and Monitoring - Regulatory Frame Work**
 - Code of Professional Conducts and Ethics – AATSL A
 - Code of Best practice on Corporate Governance C
 - Liability of an Auditor under the Companies Act C
 - Liability for Negligence C
 - Liability of an Auditor to the third parties C
 - SLAuS 250 – Consideration of Laws and Regulations in an Audit of Financial Statements C

- » **Audit report**
 - SLAuS 700 – The Auditor’s Report on Financial Statements B
 - Opinion as to True and Fair View, Report Vs Certificate C
 - Reporting Requirements under the Companies Act No 07 of 2007 C
 - SLAuS 560 – Subsequent Events B
 - SLAuS 570 – Going Concern B
 - Audit Opinions B
 - Preparation of Audit Report B

62 BUSINESS COMMUNICATION - II

Course Description

This module intends to familiarize students with language used in the fields of accountancy. The primary focus of this module is to equip students to deal with accounts, audit related reading, writing and speech activities to which the required language structures (grammar and vocabulary) have been integrated, as well as simple office practices such as simple letters, memos, accountancy related explanations and related practical tasks. The course also provides students with job application and interview skills. It is envisaged that the student who successfully completes this course will have an intermediate level of proficiency in the language and will be able to function in an accounts related environment.

Learning Outcomes

On satisfactory completion of this course student should be able to:

1. Comprehend problems and issues.
2. Discuss problems with others.
3. Contribute at discussions.
4. Report incidents, main points at meetings and discussions.
5. Express views on job advertisements, vacancies,
6. Explain matters pertaining to accounts and auditing.

Detailed Syllabus

Level of Study

» Understanding (listening) and Speech

- New vocabulary relevant to the field of accounting and auditing B
- Homonyms, synonyms and antonyms B
- Choosing meanings B
- Deriving meaning in context B
- Sources of obtaining meaning B
- Direct and indirect speech B
- Social interaction in the office B
- Official interaction in the office B
- Telephone skill B
- Meetings and seminars B

» Reading & Understanding

- Office notices, circulars, minutes and memos B
- Newsletters, journals and manuals B
- Documents related to accounts and commerce B
- Minutes of meetings B
- Letters and statements B
- Export import documentation B
- Receipts, claims and vouchers B
- Job Vacancies and advertisements B
- Tender notices B

- » **Writing**
 - Filling forms B
 - Responding to correspondence B
 - Responding to inquiries B
 - Write correspondence B
 - Making written suggestions
 - Giving explanations B
 - Taking down minutes B
 - Interpret non-verbal to verbal – graphs, charts etc B
 - Simple reports
 - E-mail, Fax etc. B

- » **Verbal – listening and responding**
 - Telephone B
 - Meetings B
 - Presentations B

- » **Written Correspondence – reading, understanding and responding**
 - Telegrams & telex B
 - Minutes of meetings B
 - Letters of request B
 - Letters of complain B
 - Letters of apology B
 - Invitations B
 - Letters of inquiry B
 - Appointment letters B
 - Letters of acceptance B
 - Letters of resignation B

- » **Form filling**
 - Job applications and covering letter - B
 - Leave application B
 - Incremental benefit forms B
 - Applications For Claims (Arrears Etc) B
 - Telegraph Forms And Money Order Forms. B
 - Opening Bank Accounts B
 - Motor Vehicle Licenses B
 - Tax Forms B

| | |
|-----------------------------------|---|
| » Reports | |
| • Types of Information | B |
| • Sources of Information | B |
| • Gathering Information. | B |
| • Observation And Research | B |
| • Questionnaire | B |
| • Surveys | B |
| • Relevant Literature | B |
| • Internet | B |
| • Consultation | B |
| » Graphical representation | |
| • Line Graphs | B |
| • Bar Charts | B |
| • Pie Charts | B |
| • Tables | B |
| • Pictorials | B |
| » Telecommunication | |
| • Telephone Directory | B |
| • Rainbow Pages | B |
| • Tele-Hunting | B |
| • Tele-Conferencing | B |
| • E Mail | B |
| • Mobile Phone | B |
| • SMS. Use | B |
| • Bank Cards And Credit Cards | B |

EXAMINATION STRUCTURE

FOUNDATION EXAMINATION

| SUBJECT | NO | CODE | DURATION |
|----------------------------|----|------|----------|
| Basic Accounting | 50 | BAC | 03 Hours |
| Economics | 52 | ECO | 02 Hours |
| Business Studies | 53 | BSD | 02 Hours |
| Business Communication - I | 57 | BCI | 03 Hours |

INTERMEDIATE EXAMINATION

| SUBJECT | NO | CODE | DURATION |
|--|----|------|----------|
| Business Mathematics & Statistics | 51 | BMS | 03 Hours |
| Accounting & Control Systems | 54 | ACS | 03 Hours |
| Information Management & Application in Business | 55 | IMAB | 03 Hours |
| Business Law and Management (Two Papers) | 56 | BLM | 03 Hours |

FINAL EXAMINATION

| SUBJECT | NO | CODE | DURATION |
|--|----|------|----------|
| Taxation | 58 | TAX | 03 Hours |
| Management Accounting and Business Finance | 59 | MABF | 03 Hours |
| Advanced Financial Accounting | 60 | AFA | 03 Hours |
| Auditing | 61 | AUD | 03 Hours |
| Business Communication - II | 62 | BCII | 03 Hours |

EXEMPTIONS UNDER REVISED SYLLABUS

(Effective from January 2012 Examination)

1 Subject Exemptions - Foundation / Intermediate Levels

Registered Students who have passed the G.C.E. (A/L) Examination SRI LANKA / (UK) in the following subjects are eligible to be exempted from Foundation / Intermediate examination subjects as indicated below:

| (i) G.C.E. (A/L) Subject | AAT - Foundation and Intermediate Exempted Subject |
|--|---|
| 1 Accounting | 1 Basic Accounting |
| 2 Pure Mathematics / Combined Maths / Applied Mathematics / Business Statistics | 2 Business Mathematics and Statistics |
| 3 Economics | 3 Economics |
| 4 Business Studies / Commerce and Finance | 4 Business Studies |
| 5 General English | 5 Business Communication - I |

| (ii) I.A.B. Final Examination | (ii) Basic Accounting Only |
|--------------------------------------|-----------------------------------|
|--------------------------------------|-----------------------------------|

2 Complete Exemption from the Foundation Examination

- 1 Fundamental (Knowledge Module) of ACCA (UK)
- 2 National Diploma / National Certificate in Business Studies conducted by Government Technical Colleges / Advanced Technological Institutes
- 3 Certificate in Banking and Finance (CBF) Examination of the Institute of Bankers (SL / UK)
- 4 Diploma in Management Studies (OUSL)
- 5 Association of Business Executives (ABE) Final Level Examination

3 Complete Exemption from Foundation Examination and the subject Business Mathematics and Statistics (BMS) of the Intermediate Examination

- 1 CAB - I of CA Sri Lanka
- 2 Certificate Level - CIMA (UK)
- 3 02nd year examination of the HNDA / HNDC / HNDM conducted by- Government Technical Colleges / Advanced Technological Institutes
- 4 01st and 02nd year examinations of Commerce and Management Degrees of a UGC (SL) recognised University
- 5 Technician Stage of ICMA (SL)

4 The scheme of exemptions for those who have a pass at level "C" or above in individual subjects of the CA Sri Lanka Certificate in Accounting and Business examinations is as follows :-

Subjects and Examination Passed at CA (SL) Examination

- 1 Individual subjects of CAB - I
- 2 "C" or above grade pass for Accounting Applications and Taxation at CAB - II Examination
- 3 "C" or above grade pass for Fundamentals of Management Accounting and Business Finance at CAB - II Examination

Subjects and Examination exempted at AAT (SL) Examinations

- 1 Corresponding subjects of Foundation Examination and the subject BMS of Intermediate Examination
- 2 Accounting and Control Systems at the Intermediate Examination and Advanced Financial Accounting at the Final Examination
- 3 Management Accounting & Business Finance at the Final Examination

5 Complete Exemption from Foundation and Intermediate Examinations

- i. A Degree of a UGC (SL) Recognised University with passes in ;
(a) Accounting (b) Business Mathematics & Statistics and (c) MIS & IT Applications in Accounting
- ii. 3rd year Examinations of HNDA
- iii. Passed Finalist of HNDC / HNDM conducted by - Government Technical Colleges / Advanced Technological Institutes
- iv. National Certificate for Accounting Technicians (NCAT) conducted by Government Technical Colleges.
- v. Fundamental Level (Knowledge & Skills Modules) of ACCA (UK)
- vi. Diploma examination of ICMASL

6 Exemption for Other University Degrees Recognised by UGC (SL) except those referred to at 5(i) above

Complete Foundation Level Examination.

Note - 1

Any other qualifications acceptable to the Governing Council of AAT Sri Lanka will be decided case by case.

Note - 2

If previous entitlement criteria for granting of exemptions have not been revised under the current syllabus, exemptions for such cases would be granted appropriately under the criteria that prevailed at that time.

Important: A certificate of exemption should be applied for and obtained before applying for examinations.

SUGGESTED WEIGHTINGS IN TERMS OF STUDY TIME ALLOCATION

Note: These weightings do not indicate the weightage in Examination papers

| SYLLABUS CONTENT AREAS | WEIGHTING |
|--|--------------------|
| 50 BASIC ACCOUNTING | |
| Concepts and Underlying Principles | 10% |
| Accounting Process | 20% |
| Preparation of Financial Statements | 40% |
| Control Accounts and Subsidiary Ledgers | 10% |
| Cost Accounting | 15% |
| Basic Understanding of Business & Professional Ethics | 5% |
| | <u>100%</u> |
| 52 ECONOMICS | |
| Basic Economic Problems and Elementary Theory Price | 25% |
| Consumer Behaviour | 20% |
| National Income | 20% |
| Money and Price Level | 20% |
| Government and Economics | 10% |
| Current Issues Related to the Subject | 5% |
| | <u>100%</u> |
| 53 BUSINESS STUDIES | |
| Export and Import Trade | 10% |
| Business Entities | 15% |
| Banking, Finance Companies, Commercial Institutions | 30% |
| Insurance | 10% |
| Money Market in Sri Lanka | 10% |
| International Trade | 15% |
| Capital Market in Sri Lanka | 5% |
| Current Issues Related to the Subject | 5% |
| | <u>100%</u> |
| 57 BUSINESS COMMUNICATION I | |
| Forms of Communication within an organization, External Written Business Communication | 10% |
| Forms of External Business Writing | 20% |
| Language Proficiency | 10% |
| Internal Written Communication | 10% |
| English Grammar | 50% |
| | <u>100%</u> |
| 51 BUSINESS MATHEMATICS AND STATISTICS | |
| BUSINESS MATHEMATICS (60%) | |
| Basic Mathematics | 10% |

| | | |
|-----------|--|-------------|
| | Financial Mathematics | 15% |
| | Progressions & Calculus | 15% |
| | Miscellaneous | 10% |
| | Graphs | 10% |
| | | 60% |
| | STATISTICS (40%) | |
| | Collection and Classification of Data | 5% |
| | Data Analysis and Tabulation | 5% |
| | Index Numbers | 5% |
| | Probability | 10% |
| | Measures of Central Tendency and Measures of Dispersion | 10% |
| | Correlation / Regression Analysis | 5% |
| | | 40% |
| 54 | ACCOUNTING & CONTROL SYSTEMS | |
| | Partnership Accounts | 25% |
| | Preparation of Financial Statements - Companies / Accounting Standards | 25% |
| | Accounting Information for Interpretation of Financial Statements / Non Profit Organisation / Statutory Deductions | 20% |
| | Control Systems | 30% |
| | | 100% |
| 55 | INFORMATION MANAGEMENT & APPLICATION IN BUSINESS | |
| | Information Technology & Review of Computers | 15% |
| | Information & Management Levels & Types of Information Systems | 30% |
| | Hardware, Software | 15% |
| | Security & Controls | 15% |
| | Accounting Softwares & DBMS | 10% |
| | Information System Development and Disaster Recovery Plan | 15% |
| | | 100% |
| 56 | BUSINESS LAW AND MANAGEMENT | |
| | BUSINESS LAW (50%) | |
| | Law of Contract / Legal System | 15% |
| | Law of Agency | 5% |
| | Sale of Goods | 10% |
| | Negotiable Instruments | 10% |
| | Industrial Law | 10% |
| | | 50% |
| | MANAGEMENT (50%) | |
| | Understand Business, Nature of Management, Evolution of Management | 15% |
| | Functions of Management (Decision Making, Planning Organising, Staffing, Leading, Motivation) | 20% |
| | Communication, Organisational Control, Office Management | 5% |
| | Marketing | 10% |
| | | 50% |

| | | |
|-----------|--|-------------|
| 58 | TAXATION | |
| | Income Tax Computations - Individuals | 30% |
| | Taxation of Companies / Special Cases | 35% |
| | Tax Administration | 10% |
| | Important Concepts and Case Law | 10% |
| | Value Added Tax | 10% |
| | Basic Understanding of Other Taxes | 5% |
| | | 100% |
| 59 | MANAGEMENT ACCOUNTING AND BUSINESS FINANCE | |
| | Marginal & Absorption Costing, Short-term Decision Making | 30% |
| | Cost Book Keeping, Job Costing, Batch Costing, Contract Costing | 10% |
| | Standard Costing, Process Costing | 20% |
| | Budgeting | 15% |
| | Business Finance | 25% |
| | | 100% |
| 60 | ADVANCED FINANCIAL ACCOUNTING | |
| | Regulatory Framework | 5% |
| | Sri Lanka Accounting Standards | 30% |
| | Preparation Financial Statements (Partnership, Company Accounts, Miscellaneous Accounts) | 45% |
| | Interpretation of Financial Statements | 10% |
| | Public Sector Accounting | 10% |
| | | 100% |
| 61 | AUDITING | |
| | Introduction of Auditing | 10% |
| | Audit Planning, Review, Execution | 25% |
| | Test of Controls & Substantial Procedures, Typical Audit Programs | 30% |
| | Audit of Limited Companies / Audit Report | 15% |
| | Corporate Governance, Compliance & Monitoring, Public Sector Auditing | 20% |
| | | 100% |
| 62 | BUSINESS COMMUNICATION II (English) | |
| | Speech and Vocabulary | 20% |
| | Reading and Understanding | 10% |
| | Report Writing, Graphical Representation | 40% |
| | Written Correspondence | 30% |
| | | 100% |

**STRUCTURE OF QUESTION PAPERS
NEW SYLLABUS – JUNE 2010 EXAMINATION**

Foundation Level

| Name of Subject | Weighted | Description |
|------------------------------|-----------------|--|
| (50) Basic Accounting | | |
| Multiple choice questions | 30% | Will comprise 10 questions from Financial Accounts and 5 questions from Cost Accounting. |
| Compulsory questions | 50% | Financial Accounting. |
| Optional questions | 20% | 2 questions to be answered Out of three questions (Financial Accounting and Cost Accounting) |
| | <u>100%</u> | |

| | | |
|---------------------------|-------------|--|
| (52) Economics | | |
| Multiple choice questions | 40% | Will comprise 20 questions |
| Optional questions | 60% | 4 questions to be answered Out of 6 questions. |
| | <u>100%</u> | |

| | | |
|------------------------------|-------------|--|
| (53) Business Studies | | |
| Multiple choice questions | 40% | Will comprise 20 questions |
| Optional questions | 60% | 4 questions to be answered Out of 6 questions. |
| | <u>100%</u> | |

| | | |
|--------------------------------------|--|---|
| (57) Business Communication I | | |
| All questions should be answered. | | 50% in own language (Sinhala, Tamil, English) and 50% only in English medium. |

Intermediate Level

| | | |
|---|-------------|---|
| (51) Business Mathematics and Statistics | | |
| Multiple choice questions | 30% | Will comprise 15 questions from Business Mathematics & Statistics |
| Compulsory questions | 50% | Business Mathematics & Statistics |
| Optional questions | 20% | 2 questions to be answered Out of three questions. |
| | <u>100%</u> | |

| (54) Accounting and Control Systems | Weighted | Description |
|--|-----------------|--|
| Multiple choice questions | 20% | Accounting Will comprise 10 questions. |
| | 10% | Control System Will comprise 5 questions. |
| Compulsory questions | 50% | Accounting |
| Optional questions | 20% | 2 questions to be answered Out of three questions. (Accounting and Control systems) |
| | 100% | |

| (55) Information Management & Application in Business | Weighted | Description |
|--|-----------------|--|
| Multiple choice questions | 40% | Will comprise 20 questions |
| Compulsory questions | 60% | 4 questions to be answered out of 6 questions. |
| | 100% | |

| | | |
|--|----------|--------------|
| (56) Business Law | | |
| 5 questions to be answered out of 6 questions. | 50 marks | Business Law |
| (56) Management | | |
| 5 questions to be answered out of 6 questions. | 50 marks | Management |

| Final Level | |
|--|---|
| New Subjects | Description |
| (58) Taxation | All Questions are required to be answered. |
| (59) Management Accounting and Business Finance | All Questions are to be answered. 75% from Management Accounting and 25% from Business Finance. |
| (60) Advanced Financial Accounting | All Questions are to be answered. |
| (61) Auditing | All Questions are to be answered. |
| (62) Business Communication II (English) | All Questions are to be answered. |