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**ICB Certification for Accountants.**

**Program Level Certificate ICB course "Accountant - Practitioner"**

**Certificate "Accountant - Practitioner"**

**Obtaining a British Certificate of Accountancy is a practice, it is an excellent opportunity for continuous development, improvement of one's own professional knowledge and skills.**

**The course topics cover** the main issues of financial accounting based on IFRS and local Ukrainian taxation and have real exercises and cases.

**Aim**

The purpose of this course is to equip accounting professionals with knowledge of the essential framework of assumptions that underpin reliable reporting and the requisite skills to compile reliable financial statements for sole traders, partnerships, companies and not-for-profit entities.

Professional accountants need to understand taxation principles and laws to support compliance.

The emphasis here is on basic knowledge and application of tax legislations relating to individuals and corporate entities in simple situations.

**The course program includes practical knowledge** of financial accounting and taxation, taking into account international standards, including local legislation.

**The program of the course “Financial accounting and taxation”**

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| --- | --- | --- | --- | --- |
| **#** | **Syllabus**  | **Lectures** | **Exercises, cases**  | **Total** |
| 1 | Accounting framework  | 8 | 2 | 10 |
| 2 | Recording financial transactions  | 6 | 4 | 10 |
| 3 | Reconciliation in financial accounting  | 7 | 3 | 10 |
| 4 | Bank reconciliation  | 3 | 2 | 5 |
| 5 | Accounting treatment for bad and doubtful debts  | 4 | 2 | 6 |
| 6 | Accounting treatment for accruals and prepayments  | 4 | 2 | 6 |
| 7 | Accounting for Property, Plant and Equipment (PPE) in accordance with IAS 16  | 7 | 4 | 10 |
| 8 | Intangible non-current assets (IAS 38)  | 4 | 2 | 6 |
| 9 | Impairment of tangible and non-intangible assets (IAS 36)  | 4 | 2 | 6 |
| 10 | Fair value measurement, financial assets and liabilities | 8 | 4 | 12 |
| 11 | Accounting policies, change in accounting estimates and errors (IAS 8)  | 5 | 3 | 8 |
| 12 | Accounting for inventories (IAS 2)  | 4 | 2 | 6 |
| 13 | Preparation of simple financial statements and supporting notes  | 6 | 4 | 10 |
| 14 | Introduction in taxation | 3 | 2 | 5 |
| 15 | Income tax and deferred taxes, VAT | 7 | 3 | 10 |
|  |  | **80** | **40** | **120** |

**Detailed Syllabus**

1. **Accounting framework**

**Scope and purpose of accounting**

* Define accounting and state the objectives of accounting.
* Differentiate between accounting and book-keeping.
* Discuss the different types of accounting.
* List and explain the elements of financial statements (assets, liabilities, expenses, revenue and capital).
* Explain the following accounting concepts, such as: going concern; accruals; materiality and aggregation, etc.
* Discuss bases of accounting: accrual, cash and break-up bases of accounting.
* Explain The regulatory environment of accounting: the need for regulation of accounting practice.
* Identify the sources of regulation of accounting practice.

**2. Recording financial transactions**

* Identify source documents of accounting data and information such as invoices, receipts, credit notes, debit notes, purchase orders, goods received notes, deposit slips, bank statements and payment vouchers.
* Record and account for transactions and events relating to revenue/incomes, expenses, assets, liabilities and equity in accordance with Generally Accepted Accounting Principles (GAAP) using:

(a) Books of prime entry; and

(b) Cash books including internal control over cash.

* Double entry principles to:

(a) Accounting equation;

(b) Basic rules of double entry book-keeping;

(c) Ledger accounts entry principle; and

(d) Balancing ledger accounts and extracting trial balance.

* State the usefulness and limitations of trial balance.

**3. Reconciliation in financial accounting**

 **Errors and omissions:**

(a) Identify errors in the double entry system.

(b) Identify errors not highlighted by the extraction of the trial balance.

(c) Correct bookkeeping errors for given transactions.

(d) Determine the effect of errors on profit or loss/surplus or deficit.

(e) Explain the use of suspense account.

**Control accounts and reconciliations**

1. Demonstrate how to use the receivables control account and payables control account.
2. Explain the purpose of suppliers’ statements and their reconciliation

**4. Bank reconciliation**

* State the purpose of bank reconciliation statement.
* Identify the causes of difference between cash book and bank statement balances.
* Prepare bank reconciliation statement.
* Identify and correct cash book errors.
* Explain the use of adjusted cash book to determine the cash position in the financial statements.

**5. Accounting treatment for bad and doubtful debts**

* Account for the write-off of bad debts.
* Account for the recovery of bad debts.
* Determine the balance on the allowance for doubtful debts accounts.
* Account for the movement on the allowance for doubtful debts accounts
* Account for movements in receivables.

**6. Accounting treatment for accruals and prepayments**

* Explain the meaning of an accrual.
* Account for accruals.
* Explain the meaning of a prepayment.
* Account for prepayments.
* Explain the meaning of accrued and unearned incomes.
* Account for accrued and unearned incomes

**7. Accounting for Property, Plant and Equipment (PPE) in accordance with IAS 16**

* Identify the elements of PPE cost.
* State how PPE cost are initially recorded and measured.
* Compute, explain and record depreciation using the straight line and reducing balance methods.
* Account for depreciation in the statement of profit or loss and other comprehensive income.
* Account for disposal of PPE.
* Prepare explanation to account for movements in PPE.

**8. Intangible non-current assets (IAS 38)**

Calculate, discuss and account for intangible non-current assets in accordance with the provisions of IAS 38.

**9.Impairment of tangible and non-intangible assets (IAS 36)**

Calculate, discuss and account for impairment of tangible and intangible non-current assets (excluding financial assets and liabilities) in accordance with the provisions of IAS 36.

**10. Fair value measurement, financial assets and liabilities**

* Introduction to concept of fair value. Differentiate between debt and equity financial instruments.
* Calculate, discuss and account for fair value measurement of financial assets and liabilities in accordance with the provisions of relevant accounting standards (IAS 32, IFRS 7, IFRS 9 and IFRS 13) with respect to measurement, recognition, de-recognition and disclosures, excluding hedging but including simple impairment cases.

**11. Accounting policies, change in accounting estimates and errors (IAS 8)**

* Define accounting policies.
* Explain the guidance on the selection of accounting policies.
* Account for changes in accounting policies.
* Differentiate between accounting policies and accounting estimates.
* Explain how to account for changes in estimates.
* Identify and correct prior year errors.

**12. Accounting for inventories (IAS 2)**

* Explain the nature of inventories.
* Explain IAS 2 requirements for valuation of inventories.
* Explain the elements of cost of inventories.
* Explain the valuation and recognition of inventories on the basis of lower of cost and net realisable value.
* Explain and measure the value of inventory using first-in-first-out (FIFO) and weighted average cost (WAC).
* Explain the impact of various valuation methods on the profit or loss for a period.
* Explain the adjustment of opening and closing values of inventory in the financial statements.
* Explain the use of periodic and perpetual inventory methods.

**13. Preparation of simple financial statements and supporting notes**

* Prepare statement of profit or loss and other comprehensive income in accordance with IAS 1.
* Prepare statement of financial position in accordance with IAS 1.
* Prepare simple statement of cash flows in accordance with IAS 7.
* Prepare simple statement of change in equity.

**14. Introduction to taxation**

* State the objectives of taxation.
* Explain the types of taxes and tax system.
* Explain the basic concepts in taxation: Tax base, tax yield, tax rate, tax incidence; and Tax burden, tax impact, tax shift, tax effect.

**15. Income tax and deferred taxes, Sales tax (VAT)**

* Explain the nature, objectives and administration of Income tax and VAT.
* Recognition of current and deferred tax liabilities and tax assets.
* Explain taxable persons and taxable supplies of goods and services.

**EXAM**

**Exam format:** written solution of 30 objective test questions (maximum score - 30) and 3 practical, scenario-based tasks (maximum score - 70).

**Examinations are held with proctors from the Examination Network.**

Exam duration - 3 hours

**Teaching and exam language:** Ukrainian or English.

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| Exam section |  | Syllabus coverage | Marks per question | Maximum marks for section |
| 1 | 30 MCQ items | 2 questions for each syllabus area 1 to 15 | 1 | 30 |
| 2 | 1 scenario question | Topic 13: Preparation of financial statements | 30 | 30 |
| 3 | 1 scenario question (S1) | 3, 4, 5, 6, 11, 12, 14, 15. | 20 | 20 |
| 4 | 1 scenario question (S2) | 7, 8, 9, 10. | 20 | 20 |

A blueprint gives the overall design, in this case, of an assessment/examination.

It is needed so that from exam diet to exam diet, the examining body can be sure that there is consistency of assessment and that candidates attempting the exam in one diet face a similar level of demand as in other diets.

The blueprint also helps with preparation of training materials and practice exercises as it indicates how competence will be measured.

You should define the nature of questions to be incorporated and indicate how credit will be awarded – e.g. will there be narrative responses which will be marked by subject matter experts or are all questions objective?

***Sample***

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| **#** |  | **Question Type and Number** | **Mark Allocation** |
|  | **Syllabus** | **MCQ** | **Financial statements** | **Scenario** |  |
| 1 | Accounting framework  | 2 |  |  | 2 |
| 2 | Recording financial transactions  | 2 |  |  | 2 |
| 3 | Reconciliation in financial accounting  | 2 |  | S1 | 22 |
| 4 | Bank reconciliation  | 2 |  | S1 | 22 |
| 5 | Accounting treatment for bad and doubtful debts  | 2 |  | S1 | 22 |
| 6 | Accounting treatment for accruals and prepayments  | 2 |  | S1 | 22 |
| 7 | Accounting for Property, Plant and Equipment (PPE) in accordance with IAS 16  | 2 |  | S2 | 22 |
| 8 | Intangible non-current assets (IAS 38)  | 2 |  | S2 | 22 |
| 9 | Impairment of tangible and non-intangible assets (IAS 36)  | 2 |  | S2 | 22 |
| 10 | Fair value measurement, financial assets and liabilities | 2 |  | S2 | 22 |
| 11 | Accounting policies, change in accounting estimates and errors (IAS 8)  | 2 |  | S1 | 22 |
| 12 | Accounting for inventories (IAS 2)  | 2 |  | S1 | 22 |
| 13 | Preparation of simple financial statements and supporting notes  | 2 | 20 |  | 22 |
| 14 | Introduction in taxation | 2 |  | S1 | 22 |
| 15 | Income tax and deferred taxes, VAT | 2 |  | S1 | 22 |

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| --- | --- | --- | --- | --- |
| **Exam section** |  | **Syllabus coverage** | **Marks per question** | **Maximum marks for section** |
| **1** | **30 MCQ items** | **2 questions for each syllabus area 1 to 15** | **1** | **30** |
| **2** | **1 scenario question** | **13. Preparation of financial statements** | **20** | **20** |
| **3** | **1 scenario question (S1)** | **3, 4, 5, 6, 11, 12, 14, 15.** | **20** | **20** |
| **4** | **1 scenario question (S2)** | **7, 8, 9, 10.** | **20** | **20** |