



RELEVANT TO ALL ACCA QUALIFICATION STUDENTS

## **Summary of changes to the ACCA Qualification for all 2012 study guides**

The current ACCA Qualification syllabus structure has been in place since it was relaunched in December 2007.

As far as syllabus development is concerned, it is planned to adapt and improve syllabuses and study guides in line with feedback from ACCA's key stakeholders to meet their continuously changing requirements. These developments reflect updates relating to statutory, regulatory and advisory bodies such as complying with tax and company law as applicable to variant papers, meeting international financial reporting and auditing standards and incorporating updates to education standards as issued by the International Federation of Accountants (IFAC).

From time to time, syllabuses and study guides will also need to be updated in line with changes in applicable professional occupational standards and the requirements of educational regulators, accounting benchmark statements and those of other key qualification or educational frameworks.

The syllabuses and study guides are also adapted and developed to take into account the following:

- Survey findings from stakeholder surveys, including students, members and employers.
- Feedback obtained from external examiners and reviewers appointed by accrediting and awarding bodies.
- Feedback obtained from Examination Review Boards, from representative learning providers and from exam candidates.
- Feedback from internal examiners on candidate performance from successive exam sessions.

### **Quality assurance and continuous improvement**

There are many external factors and influences affecting the ACCA Qualification. To ensure that the ACCA Qualification meets these requirements and remains compliant, there is a need to continuously review the external environment, including the needs of ACCA's stakeholders.

To ensure that ACCA remains a relevant and valid qualification, the syllabuses and study guides are to be updated every year and this article will be the first of a series of annually published summaries in which ACCA explains the changes that have been made to the individual syllabuses, study guides, exams or other components within the ACCA Qualification. There will also be a

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corresponding article published in September annually, explaining any changes and updates to syllabuses, study guides and other components of the Foundations in Accountancy suite of awards. Any changes from year to year will be detailed in the appendix included with each individual syllabus, which will contain a list of additions, deletions and any potential clarifications to the syllabus.

The following is a summary of these changes that apply to the ACCA Qualification from 2011–2012:

### **Summary of changes to Paper F1, *Accountant in Business*, Paper F2, *Management Accounting* and Paper F3, *Financial Accounting***

The Papers F1–F3 syllabuses – which are also the syllabuses for the Foundations in Accountancy Papers FAB, FMA and FFA – will not change from December 2011 to 2012. The structure of all three of these papers will also remain as 50 x two-mark questions and this will apply throughout 2012.

### **Summary of changes to Paper F4, *Corporate and Business Law***

*Paper F4 (ENG)*

The main areas that have been clarified in the Paper F4 (ENG) syllabus (all were implicitly included previously) are shown in Table 1.

*Table 1 – Amendments to Paper F4 (ENG)*

<b>Section and subject area</b>	<b>Syllabus content</b>
D2e) Partnerships	Termination of partnerships
D4b) Company formations	Pre-incorporation contracts
E1b) Share capital	Allotment of shares
E2c) Loan capital	Rights of debenture holders and rights of shareholders
F1c) Company directors	Types of directors
F2b) Other company officers	Rights and removal of company auditors
G1b) Insolvency	Grounds for compulsory liquidation
G1c)	Order of payment of company debts
G2b) Administration	Appointment, powers and duties of administrators
H1b) Corporate governance	Explain extra-legal codes of corporate governance
H2a) Fraudulent and criminal behaviour	Market abuse

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The main areas that have been added to the Paper F4 (ENG) syllabus are shown in Table 2.

*Table 2 – Additions to Paper F4 (ENG)*

<b>Section and subject area</b>	<b>Syllabus content</b>
E3b) Capital maintenance	Treasury shares
H2c) Fraudulent and criminal behaviour	Bribery

There have been no deletions to Paper F4 (ENG) for 2012.

### *Paper F4 (GLO)*

The areas that have been clarified in the Paper F4 (GLO) syllabus (all were implicitly included) are shown in Table 3.

*Table 3 – Amendments to Paper F4 (GLO)*

<b>Section and subject area</b>	<b>Syllabus content</b>
C2e) Partnerships	Termination of partnerships
D2b) The formation of the company	Pre-incorporation contracts
D3d) The constitution of the company	Company names
E1b) Share capital	Allotment of shares
E2c) Loan capital	Rights of debenture holders and rights of shareholders
F1c) Company directors	Types of directors
F2b) Other company officers	Rights and removal of company auditors
G1b) Insolvency	Grounds for compulsory liquidation
G1c)	Order of payment of company debts
G2c) Administration	Appointment, powers and duties of administrators
H1b) Corporate governance	Explain extra-legal codes of corporate governance
H2a) Fraudulent and criminal behaviour	Market abuse

The areas to be added to the Paper F4 (GLO) syllabus are shown in Table 4.

*Table 4 – Additions to Paper F4 (GLO)*

<b>Section and subject area</b>	<b>Syllabus content</b>
E3b) Capital maintenance	Treasury shares
H2c) Fraudulent and criminal behaviour	Bribery

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The areas to be deleted from the Paper F4 (GLO) syllabus are shown in Table 5.

*Table 5 – Deletions to Paper F4 (GLO)*

<b>Section and subject area</b>	<b>Syllabus content</b>
A2a) Different legal systems	Different types of law
A3a) International trade, international regulation	Public and private international law

**Summary of changes to Paper F5, Performance Management**

There are no changes to the Paper F5 syllabus for 2012. One area, however, has been clarified in the syllabus (it was implicitly included previously) and is shown in Table 6.

*Table 6 – Clarifications to Paper F5*

<b>Section and subject area</b>	<b>Syllabus content</b>
B6f) Dealing with risk and uncertainty in decision making	Calculate the value of perfect and imperfect information

**Summary of changes to Paper F6, Taxation (UK)**

The main areas that have been added to the Paper F6 (UK) syllabus are shown in Table 7.

*Table 7 – Additions to Paper F6 (UK)*

<b>Section and subject area</b>	<b>Syllabus content</b>
B3 Income from self-employment – <i>Excluded topics</i>	Industrial buildings allowance (IBA)
B4 Property and investment income – <i>Excluded topics</i>	Junior ISAs
C4 Group Structure – <i>Excluded topics</i>	Profits from overseas branch

The main areas that have been deleted from the syllabus are shown in Table 8.

*Table 8 – Deletions from Paper F6 (UK)*

<b>Section and subject area</b>	<b>Syllabus content</b>
B3g)vii) Income from self-employment	Industrial buildings allowance (IBA)
B3g) viii) Income from self-employment	IBA
B3 Income from self-employment – <i>Excluded topics</i>	40% FYA
B3 Income from self-employment – <i>Excluded topics</i>	Apportionment of AIA
B3 Income from self-employment – <i>Excluded topics</i>	Calculation of IBA
B3 Income from self-employment – <i>Excluded topics</i>	Additional loss relief

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B4 Property and investment income – <i>Excluded topics</i>	Pension additional tax charge
B4 Property and investment income – <i>Excluded topics</i>	Anti-forestalling provisions
C2 Taxable total profits – <i>Excluded topics</i>	Extended loss relief
C3c) The comprehensive computation of corporation tax liability	Exemptions and reliefs (as repetition of C5)
C3 The comprehensive computation of corporation tax liability – <i>Excluded topics</i>	Corporate venturing scheme
C4 Group Structure – <i>Excluded topics</i>	Overseas dividends
D2 Computing gains and losses – <i>Excluded topics</i>	Disposals prior to 23 June 2010
D6 Use of exemptions – <i>Excluded topics</i>	Entrepreneurs' relief qualifying limits prior to 22 June 2010

The main areas that have been amended or clarified in the syllabus are shown in Table 9.

*Table 9 – Amendments to Paper F6 (UK)*

<b>Section and subject area</b>	<b>Amendment</b>
Approach to examining	Groups and overseas aspects can also be examined in Question 4
Approach to examining	A small element of chargeable gains could be included in questions other than Question 3
B6a) Use of exemptions	Pensions rules will only be examined from 6 April 2011
E3 The liabilities arising on chargeable lifetime transfers and on death of an individual – <i>Excluded topics</i>	Double grossing up on death amended to grossing up on death
G3 Computation of VAT liabilities	Serious misdeclaration penalty amended to penalty for incorrect VAT return
H1b) Corporate self-assessment	Use of iXBRL
H3a) Procedures relating to compliance checks	'Enquiry' changed to 'compliance check' to agree to HMRC terminology
H4 Penalties for non-compliance	Interest on overdue tax amended to late payment interest

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**Summary of changes to Paper F7, *Financial Reporting* (INT) and (UK)**

*Additions to Paper F7 (INT) and (UK)*

There have not been any additions to the 2011 *Study Guide* for 2012. However, there have been minor amendments to the wording of some of the *Study Guide* outcomes corresponding to changes within examinable documents and to ensure greater clarity.

**Summary of changes to Paper F8, *Audit and Assurance* (INT) and (UK)**

Table 10 shows additions to Paper F8 (INT) and (UK).

*Table 10 – Additions to Paper F8*

<b>Section and subject area</b>	<b>Syllabus content</b>
C6e) and C6f) Planning an audit	Interim audit
F2d) Going concern	Going concern indicators

The main area to be deleted from the syllabus is shown in Table 11.

*Table 11 – Deletions to Paper F8*

<b>Section and subject area</b>	<b>Syllabus content</b>
G3b) Internal audit reports	Explain the process for producing an internal audit report

**Summary of changes to F9, *Financial Management***

There are no changes to the syllabus. One area however has been clarified in the syllabus (it was implicitly included previously) and is shown in Table 12.

*Table 12 – Amendments to Paper F9*

<b>Section and subject area</b>	<b>Syllabus content</b>
D3f) Discounted cash flow (DCF) techniques	Calculate discounted payback and discuss its usefulness as an investment appraisal method

**Summary of changes to Paper P1, *Governance, Risk and Ethics* (GLO)**

There are few changes to the Paper P1 syllabus. The additions to the syllabus are shown in Table 13.

*Table 13 – Additions to Paper P1*

<b>Section and subject area</b>	<b>Syllabus content</b>
E5d)	Explain and explore 'bribery' and 'corruption' in the context of corporate governance, and assess how these can undermine confidence and trust

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E5e)	Describe and assess best practice measures for reducing and combating bribery and corruption, and the barriers to implementing such measures
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There are no deletions from the Paper P1 (GLO) syllabus.

**Summary of changes to Paper P2, *Corporate Reporting (INT) and (UK)***

There have not been any additions or deletions to the 2011 *Study Guide* for 2012. However, there have been minor amendment to the wording of some of the study guide outcomes corresponding to changes within examinable documents.

**Summary of changes to Paper P3, *Business Analysis***

There are no changes to Paper P3 for 2012.

**Summary of changes to Paper P4, *Advanced Financial Management:***

There are no changes to Paper P4 for 2012.

**Summary of changes to Paper P5, *Advanced Performance Management***

The main areas that have been clarified in the Paper P5 syllabus (all were implicitly included previously) are shown in Table 14.

*Table 14 – Clarifications to Paper P5*

<b>Section and subject area</b>	<b>Syllabus content</b>
A3d) Changes in business structure and management accounting	Analyse the role that performance management systems play in business integration using models such as the value chain and McKinsey's 7S's
B1b) and B1d) Changing business environment	b) Assess the impact of different risk appetites of stakeholders on performance management d) Apply different risk analysis techniques in assessing business performance such as maximin, maximax, minimax regret and expected values
<i>Other changes:</i> Inclusion of models/methods in A4d, A5a, B2a, C2b, D2c, F1b and D6e. Changes in level descriptors in A3c, C1h and C1i. D2h is moved to D6.	

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**Summary of changes to Paper P6, *Advanced Taxation* (UK)**

Amendments to Paper P6 (UK) are shown in Table 15.

*Table 15 – Amendments to P6 (UK)*

<b>Section and subject area</b>	<b>Amendment</b>
A1 – <i>Excluded topics</i>	Industrial buildings allowances have been added to the excluded topics list

**Summary of changes to Paper P7, *Advanced Audit and Assurance* (INT) and (UK)**

Table 16 shows additions to the Paper P7 (INT) and (UK) syllabus for 2012.

*Table 16 – Additions to Paper P7*

<b>Section and subject area</b>	<b>Syllabus content</b>
D1(i)d), g) Assignments	Planning an audit
D2b) Assignments	Group audit planning issues
D2d) Assignments	Audit impact of changes in group structure
F1a) Reporting	Appraisal of auditor's report
F1d) Reporting	Actions which may be taken by the auditor where a modified report is issued
Further additions to P7 (UK) only:	
E7a)-f) Other assignments	Auditing aspects of insolvency (outcomes revised)
G1c) Current issues	Current APB developments

There have been no deletions to Paper P7 (INT) and (UK) for 2012.

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