

Syllabus Handbook

Singapore CA Qualification
(Professional Programme)

Syllabus Handbook

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Chartered
Accountant
SINGAPORE

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A Singapore Chartered Accountant Qualification

1 About the Singapore Chartered Accountant Qualification Programme

The Singapore CA Qualification is a post-university accountancy qualification programme with three main components:

- Academic Base
- Professional Programme
- Practical Experience

The Professional Programme aims to equip Candidates with the knowledge, skills and professional values that are required of a Chartered Accountant of Singapore. It is a self-study programme that offers flexibility and learning support to suit the individual study and working needs of each Candidate. The Ethics and Professionalism module is a pre-requisite for all the technical modules. The technical modules may be attempted in any sequence, and only upon completion of the Ethics and Professionalism module and passing all four technical modules will a Candidate be eligible for the Integrative Business Solutions module. Together, the following modules make up the entirety of the Professional Programme:

- Ethics and Professionalism
- Taxation
- Financial Reporting
- Assurance
- Business Value, Governance and Risk
- Integrative Business Solutions

Section C of this Syllabus Handbook sets out the objectives, assessment and learning outcomes for each Module of the Professional Programme.

The Singapore CA Qualification and the Accountant of the Future

Accountants of the future would be business leaders, in demand anywhere in the world. They would have more than just technical knowledge. They would have multi-disciplinary skill sets to be able to provide high value-adding specialised services. They would have a strong international outlook, deep cross-border knowledge and come from a diversity of academic backgrounds. They would provide holistic business advice and be the financial backbone of a company. In short, they would be trusted advisors and critical to the success of a business.

The Singapore CA Qualification is designed to develop these future business leaders who would hold a Singaporean Chartered Accountant designation.

Singapore's national Chartered Accountant qualification

The Singapore CA Qualification is the national CA qualification. Upon completion of the programme, candidates can apply to become full members of the Institute of Singapore Chartered Accountants (ISCA) and be conferred the Singapore Chartered Accountant designation.

Internationally recognised

The Singapore CA Qualification is designed to be globally recognised and internationally portable. Through the Reciprocal Membership Agreements (RMAs) with members of Chartered Accountants Worldwide (CAW), the most prestigious group of professional bodies, the Singapore CA Qualification is mutually recognised with world-renowned chartered accountant qualifications. RMAs have been signed with Chartered Accountants Australia and New Zealand (CA ANZ), Chartered Accountants Ireland (CAI), the Institute of Chartered Accountants of Scotland (ICAS) and the Institute of Chartered Accountants in England and Wales (ICAEW).

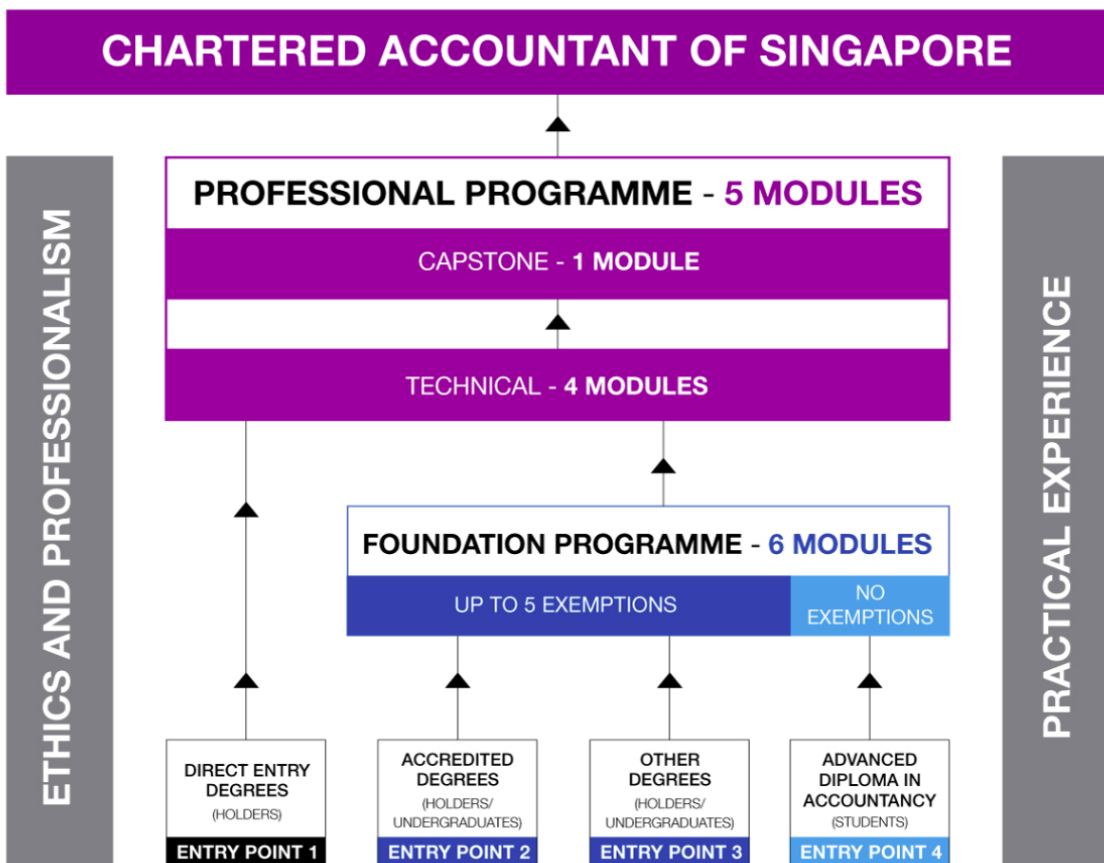
Professional qualification with an Asian perspective

The qualification comes with a curriculum of cutting-edge technical skills and a strong set of soft skills that are much needed in the corporate world. It also weaves together elements that meet the needs of Singapore and the Asian market, making this a truly unique accountancy programme.

Wide career options

The Singapore CA certification puts professionals in good stead for Director positions and C-Suite roles such as CEOs and CFOs in accountancy, business and finance. It will set you on a path of wide career options in any industry.

2 Progression through the Singapore Chartered Accountant Qualification Programme



Five steps to embark on the Singapore Chartered Accountant Qualification Programme (Singapore CA) journey:

- (1) Determine your entry point into the Singapore CA Qualification
- (2) Apply to be a Singapore CA Candidate
- (3) Complete the Singapore CA Foundation Programme if required
- (4) Seek employment with an Accredited Training Organisation (ATO)
- (5) Complete the Singapore CA Professional Programme in tandem with the Practical Experience (three years of relevant work experience)

3 List of modules

3.1 Foundation Programme

Candidates without an accredited accountancy degree have a pathway to the Singapore Chartered Accountant (CA) Qualification through the Foundation programme. This provides basic technical knowledge and skills for enquiry, abstract logical thinking, critical analysis, appropriate communication, and personal and interpersonal skills required for the accounting profession.

The Foundation Programme comprises of six modules as follows:

| Foundation Module | Module objectives |
|--|--|
| Principles of Financial Reporting | The Principles of Financial Reporting module provides Candidates with knowledge of the Conceptual Framework and the Singapore Financial Reporting Standards (SFRS) to produce a complete set of financial statements for single entities, including basic notes to the accounts. Candidates will also be able to explain and advise on the application of the SFRS, demonstrating appropriate professional judgment. The Principles of Financial Reporting module provides foundation accounting knowledge for the Advanced Financial Reporting module and the Assurance module. |
| Advanced Financial Reporting | The Advanced Financial Reporting module builds upon the knowledge and skills studied in the Principles of Financial Reporting module. Upon successful completion of this module, Candidates will be able to demonstrate sound knowledge of and apply the Conceptual Framework and the Singapore Financial Reporting Standards (SFRS) to produce a complete set of financial statements for single entities and simple groups, including basic notes to the accounts. Candidates will also be able to explain and advise on the application of the SFRS, including the appropriate treatment and disclosure of hedge accounting, demonstrating appropriate professional judgment. |
| Accounting for Decision Making | The Accounting for Decision Making module develops cost accounting techniques for planning, control, and decision-making. The key focus is on analysis of relevant information for decision-making by management. Upon successful completion of this module, Candidates will have gained practical |

| Foundation Module | Module objectives |
|-----------------------------|--|
| | knowledge through the application of various strategic management accounting tools and techniques. |
| Assurance | Upon completion of the Assurance module, Candidates will understand the nature, purpose, and scope of assurance engagements. Candidates will also be able to demonstrate how an auditor obtains an understanding of the entity, plans and performs audit procedures, collects and documents evidence, and presents reports for statutory audits in accordance with the Singapore Standards on Auditing and Code of Professional Conduct and Ethics. |
| Financial Management | Upon completion of the Financial Management (FM) module, Candidates will be equipped with the skills expected from an aspiring finance manager. Starting with the environment and scope of finance, the module will delve into working capital management through active analysis of current assets and current liabilities. The firm's cost of capital, through debt and equity sources, and other business finance issues will also be explored. Candidates will then be exposed to different investment appraisal techniques and business valuation models to arm them with the knowledge to price financial instruments and businesses. Finally, the module will conclude with key risk-management elements, such as operational, market, reputation, and strategic risk concepts. |
| Singapore Taxation | The Singapore Taxation module equips Candidates with the core knowledge of the underlying principles and major technical areas of taxation through a variety of business and personal scenarios and situations. Upon completion of this module, Candidates should be able to compute tax liabilities, explain the basis of their calculations, apply ethical tax-planning techniques for individuals and companies, and identify the compliance issues for each major tax type. |

3.2 Professional Programme

The Singapore CA Qualification Professional Programme consists of six modules:

- (1) Ethics & Professionalism (EP)
- (2) Financial Reporting (FR)
- (3) Assurance (AS)
- (4) Business Value, Governance & Risk (BG)
- (5) Taxation (TX)
- (6) Capstone – Integrative Business (IB)

See Section C for further detail of each module in the Professional Programme.

4 The Practical Experience requirement

The Practical Experience requirement is a vital part of the Singapore CA Qualification. It enables candidates to build on the technical knowledge they have acquired during their prior

tertiary studies and in the Professional Programme, by developing the skills, attitudes and behaviours that are expected of a Chartered Accountant of Singapore.

Professional Programme Candidates are required to acquire relevant practical work experience via a Training Agreement in an Accredited Training Organisation (ATO) under the guidance of an Approved Mentor. Candidates are required to accumulate a minimum of 450 working days across three years of core work experience.

B Professional Programme

1 Ethics and Professionalism Module

The Ethics and Professionalism (EP) module guides Candidates in the value, ethics, and attitudes needed to become a Chartered Accountant of Singapore. It also provides a foundation for developing an independent mindset to compare and question different ethical perspectives. It provides a base that will be integrated with the other modules and the Practical Experience component of the Professional Program.

In particular, the EP module is designed to:

- Guide Candidates in what it means to work professionally and ethically as a Chartered Accountant of Singapore;
- Encourage Candidates to explore their own ethical beliefs and personal value; and
- Introduce Candidates to a common framework for ethical decision-making.

1.1 Module delivery

The EP modules are delivered via online e-Learning Programmes, which can be taken in any order and must be completed within six months from the date of user account creation. The online learning materials for the EP module include audio and text-based content, with quiz in place to ensure that Candidates participate in interactive activities and knowledge checks.

1.2 Cognitive levels

The EP module does not include cognitive levels in the same way as the Singapore CA Qualification technical modules. The learning outcomes required for this module are not described in terms of intellectual depth.

2 Technical and capstone module learning materials

Candidates enrolled in the technical modules will receive a Textbook and Practice Workbook, which comprises examination-standard questions and suggested solutions.

Candidates will also have access to the Examiners' Guides, consisting of past examination papers with suggested solutions and examiners' reports. Candidates are encouraged to practise past examination papers and compare answers against the provided examiners' guides. Candidates enrolled in the Integrative Business Solutions module will receive a Toolkit.

3 Technical and capstone module e-examinations

Singapore CA Qualification candidates will sit e-exams using their own laptops for the technical and capstone modules.

The advantages of e-examinations are numerous:

- Easy to use
- Saves time as many candidates find typing easier than writing

- Able to submit better answers because it is easier to review your work and make amendments
- The e-examinations use market-leading software provided by Cirrus

4 Module syllabus

The technical modules in the Professional Programme are designed at the postgraduate level and build on knowledge, skills and values achieved during the prior tertiary studies. The technical modules are designed to develop higher-order skills of application, analysis, synthesis and evaluation. For this reason, there are very few learning outcomes with Cognitive Level 1.

4.1 Cognitive levels

The cognitive levels (CL) give an indication of the intellectual depth which Candidates are expected to achieve. Each learning outcome is identified with a cognitive level ranging from 1 to 3. The cognitive levels are described below.

Cognitive Level 1

An ability to communicate sound knowledge and insights relating to emerging trends, current issues and regulatory changes, with some practical application.

Cognitive Level 2

An ability to analyse and apply knowledge to moderately complex scenarios that a Candidate would likely encounter in the workplace to derive the best possible outcome.

Cognitive Level 3

An ability to demonstrate an elevated level of application knowledge, as well as synthesise and evaluate information in more complex scenarios in order to arrive at value-added solutions.

At the beginning of most chapters of the Module Textbooks is a list of additional essential reading that will further supplement learning. The Textbook is a starting point only, not a comprehensive document, as candidates will be required to read widely and keep up-to-date with the latest financial reporting developments.

5 Core and non-core learning outcomes

In addition to the CL, each learning outcome is defined as core or non-core to distinguish between fundamental or supplemental knowledge and skills prescribed in this module.

Core learning outcomes

These are essential learning outcomes which Candidates are expected to achieve in order to gain competency in the described module objective.

Non-core learning outcomes

These are learning outcomes which supplement the core learning outcomes and will equip Candidates with a holistic understanding of the module.

C Professional Programme modules

1 Ethics and Professionalism Module

1.1 Module objective

The Ethics and Professionalism (EP) module guides Candidates in the value, ethics, and attitudes that an aspiring Professional Accountant needs in order to begin their journey to become a Chartered Accountant of Singapore. The EP module also provides a foundation for developing an independent mindset to compare and question different ethical perspectives; skills that will be further developed and integrated into the other modules in the Professional Programme. In particular, the EP module is designed to:

- Guide Candidates in what it means to work professionally and ethically as a Chartered Accountant of Singapore;
- Encourage Candidates to explore their own ethical beliefs and personal values; and
- Introduce Candidates to a common framework for ethical decision-making.

1.2 Module assessment

The Ethics and Professionalism (EP) modules are non-examinable. It comprises the completion of the following modules:

- Eoo5i: Relevance of Ethics Pronouncement 100 to Professional Accountants (E-Learning); and
- Eoo8i: Ethics Pronouncement 200:An Overview(E-Learning).

1.3 Module at a glance

The learning outcomes for the Ethics and Professionalism Module are divided into two main areas: professional ethics, values and judgment, and personal effectiveness. These areas are categorised further as follows:

(A) PROFESSIONAL ETHICS, VALUES, AND JUDGMENT

- (i) Role of a chartered accountant
- (ii) The ethical principles
- (iii) The conceptual framework
- (iv) Anti-money laundering (AML) and countering the financing of terrorism (CFT)
- (v) Personal effectiveness

1.4 Learning outcomes – Ethics and Professionalism Module

The full list of learning outcomes for the Ethics and Professionalism Module are as follows:

| Learning Outcomes | Core/ Non-Core |
|--|----------------|
| (A) PROFESSIONAL ETHICS, VALUES, AND JUDGMENT | |
| (i) Role of a chartered accountant | |
| (1) Explain the professional values, ethics, and attitudes that identify Chartered Accountants as members of a profession. | Core |
| (2) Explain the legal and ethical expectations of a Chartered Accountant of Singapore. | Core |
| (3) Outline the role of the authorities (such as the Accounting and Corporate Regulatory Authority) in ethical and related business matters. | Core |
| (4) Apply the ISCA Code of Professional Conduct and Ethics in relation to a Chartered Accountant of Singapore. | Core |
| (5) Explain what is meant by the 'Public Interest' and its relevance to the work of Chartered Accountants. | Core |
| (6) Explain the role of ethics in relation to business and good governance. | Core |
| (ii) The ethical principles | |
| (7) Explain the Fundamental Principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. | Core |
| (8) Outline the safeguards that can be applied to minimise the threats of breaching the Fundamental Principles. | Core |
| (9) Demonstrate the application of ethical principles to business activities, judgment, and policy formulation. | Core |
| (10) Define and apply independence, professional scepticism, and accountability. | Core |
| (11) Compare the rules-based approach with the principles-based approach to regulation and professional codes of conduct and ethics. | Core |
| (iii) The conceptual framework | |
| (12) Explain how the conceptual framework assist accountants to comply with the fundamental principles. | Core |
| (13) Identify ethical threats in accordance to the fundamental principles. | Core |
| (14) Evaluate the acceptable level of an ethical threat in relation to the fundamental principles. | Core |
| (15) Propose actions or safeguards to eliminate an evaluated ethical threat which is not at an acceptable level. | Core |

| Learning Outcomes | Core/ Non-Core |
|---|----------------|
| (iv) Anti-money laundering (AML) and countering the financing of terrorism (CFT) | |
| (16) Evaluate the role of professional accountants in combatting AML and CFT. | Core |
| (17) Explain the systems and controls in place to address money laundering and terrorist financing concerns. | Core |
| (18) Describe customer due diligence (CDD) and how it enables effective identification and reporting of suspicious activities. | Core |
| (19) Identify suspicious activities in relation to AML/SFT and describe how accountants can report such activities to authorities. | Core |
| (v) Personal effectiveness | |
| (20) Demonstrate an ability to reflect on experiences and situations. | Non-Core |
| (21) Describe the personal qualities and skills required to work in the accountancy profession, and be able to assess one's own characteristics in relation to these qualities and skills. | Non-Core |
| (22) Identify areas for personal development and improvement. | Non-Core |
| (23) Demonstrate personal effectiveness in a changing work environment through: <ul style="list-style-type: none"> • Timeliness; • Accuracy; • Communication; • Motivation; • Flexibility and embracing ambiguity; • Cooperativeness; and • Conflict resolution. | Non-Core |
| (24) Evaluate professional commitments and manage own time and resources to achieve them. | Non-Core |
| (25) Explain the benefits of cooperation, collaboration, and teamwork. | Non-Core |
| (26) Describe how individual needs can affect motivation in an organisation. | Non-Core |
| (27) Identify common sources of conflicts in the workplace. | Non-Core |
| (28) Explain the ways in which conflict can be resolved and use appropriate conflict resolution strategies to achieve given objectives. | Non-Core |

2 Financial Reporting Module

2.1 Module objective

Upon completion of the Financial Reporting (FR) module, candidates will be able to demonstrate knowledge and apply the Singapore Financial Reporting Standards (International) (SFRS(I)) to produce a complete set of financial statements for an entity. They will also be able to explain and advise on the application of the SFRS(I), demonstrating appropriate professional judgment in the process.

2.2 Module assessment

Each technical module in the Singapore CA Qualification is assessed by way of a written end-of-module examination that accounts for 100% of a Candidate's final grade. The Financial Reporting Module examination is 100% of the assessment and candidates have to attain a minimum of 50% of the available marks to achieve a pass. The time allowed for the examination paper is 3 hours 15 minutes.

2.3 Module at a glance

The learning outcomes for the Financial Reporting Module are spread across nine main categories and grouped into the following sub-categories, providing comprehensive coverage of all significant Singapore Financial Reporting Standards (SFRS) and the accounting rules and disclosures contained within each published SFRS.

(A) FINANCIAL REPORTING FRAMEWORK

- (i) Objectives of financial reporting
- (ii) Standard-setting process
- (iii) The Conceptual Framework for Financial Reporting
- (iv) Regulatory requirements
- (v) The international context
- (vi) Reporting and disclosure
- (vii) Compliance and ethics in financial reporting

(B) RECOGNITION AND MEASUREMENT OF ASSETS

- (i) Measurement and reporting
- (ii) Impairment of assets
- (iii) Specific applications

(C) RECOGNITION AND MEASUREMENT OF LIABILITIES

- (i) Measurement and reporting
- (ii) Specific applications

(D) RECOGNITION OF REVENUE AND EXPENSES

- (i) Revenue recognition
- (ii) Share-based payment transactions and arrangements

- (E) **FINANCIAL ASSETS AND FINANCIAL LIABILITIES**
- (i) Principles of financial instruments reporting
 - (ii) Derivatives and hedging
- (F) **OTHER STANDARDS ON PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS**
- (i) Foreign currency transactions
 - (ii) Earnings per share
 - (iii) Operating segment
 - (iv) Events after the reporting date
 - (v) Related parties
 - (vi) Interim reporting
 - (vii) Equity and other comprehensive income
- (G) **CONSOLIDATED FINANCIAL STATEMENTS**
- (i) Foreign operations
 - (ii) Group accounting
 - (iii) Continuing and discontinued interests
- (H) **OTHER REPORTING FRAMEWORKS AND EMERGING TRENDS**
- (i) Other reporting frameworks
 - (ii) Emerging trends

2.4 Financial Reporting Module learning outcomes

The full list of learning outcomes for the Financial Reporting Module, with the associated cognitive level for each learning outcome, are as follows:

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (A) FINANCIAL REPORTING FRAMEWORK | | |
| (i) Objectives of financial reporting | | |
| (1) Understand the role of financial reporting in the decision-making process of various stakeholders. | Core | 2 |
| (2) Identify stakeholders in the financial reporting process. | Core | 2 |
| (3) Explain general-purpose financial statements to stakeholders. | Core | 2 |
| (4) Identify and explain the different stakeholders' roles in public sector financial reporting. | Core | 2 |
| (ii) Standard-setting process | | |
| (5) Explain the process adopted by the International Accounting Standards Board (IASB) in issuing new accounting standards or amending existing standards. | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | | Core or Non-Core | Cognitive Level |
|---|---|------------------|-----------------|
| (6) | Explain the mandate of the Singapore's Accounting Standards Council (ASC). | Non-Core | 2 |
| (iii) The Conceptual Framework for Financial Reporting | | | |
| (7) | Discuss the use of a Conceptual Framework in the setting of accounting standards. | Core | 2 |
| (8) | Apply the principles of the framework to recommend an accounting treatment for a transaction not covered by an extant accounting standard or a proposed new standard. | Core | 2 |
| (9) | Identify the relationship between accounting theory and practice. | Core | 2 |
| (iv) Regulatory requirements | | | |
| (10) | Explain the additional reporting requirements for entities listed on the Singapore Exchange insofar as these go beyond compliance with SFRS. | Non-Core | 2 |
| (11) | Recognise and apply the legal requirements of Companies Act Cap 50 relating to the preparation of statutory financial statements of an entity, including the circumstances where an entity is required to prepare and present statutory financial statements. | Non-Core | 2 |
| (12) | Explain the filing requirements for all entities in Singapore other than the requirements to file tax returns. | Non-Core | 2 |
| (v) The international context | | | |
| (13) | Understand the issues relating to the convergence/ non-convergence of accounting standards. | Non-Core | 1 |
| (14) | Appreciate the key differences between IFRS and domestic accounting standards in Asia. | Non-Core | 1 |
| (vi) Reporting and disclosure | | | |
| (15) | Explain and assess the general principles of disclosure and communication with shareholders. | Non-Core | 2 |
| (16) | Explain and analyse 'best practice' corporate governance disclosures. | Non-Core | 2 |
| (17) | Explain and analyse the purposes of the annual general meeting and extraordinary general meetings for information exchange between the board of directors and shareholders. | Non-Core | 2 |
| (vii) Compliance and ethics in financial reporting | | | |
| (18) | Assess the relevance and importance of ethical and professional issues in complying with accounting | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| standards. | | |
| (19) Appraise the potential ethical implications of professional and managerial decisions in the preparation of financial reports. | Core | 3 |
| (20) Appraise, discuss and recommend an appropriate course of action arising from ethical dilemmas in financial reporting. | Core | 3 |
| (21) Assess the consequences of not upholding ethical principles in the preparation of financial reports. | Core | 3 |
| (B) RECOGNITION AND MEASUREMENT OF ASSETS | | |
| (i) Measurement and reporting | | |
| (22) Apply, explain and evaluate accounting standards for major classes of assets, insofar as they affect initial recognition, measurement (including initial measurement and subsequent re-measurement), classification and disclosure, and de-recognition from an entity's statement of financial position. | Core | 3 |
| (23) Evaluate the measurement bases adopted by accounting standard setters and explain different methods of measurement used for major classes of assets. | Core | 3 |
| (ii) Impairment of assets | | |
| (24) Apply, explain or evaluate the circumstances in which an impairment test of assets is necessary. | Core | 3 |
| (25) Calculate, explain and evaluate the adequacy of an impairment test for all classes of assets under the relevant accounting standard appropriate to that class of asset. | Core | 3 |
| (26) Evaluate sensitivity of an impairment analysis to the exercise of professional judgment, use of assumptions and critical estimates. | Core | 3 |
| (27) Identify and explain a cash-generating unit and explain the need for impairment testing to be done at the smallest cash-generating unit level. | Core | 3 |
| (28) Allocate impairment losses for a cash-generating unit. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (iii) Specific applications | | |
| <p>Apply the relevant accounting treatment on the following classes of assets:</p> <p>(29) • Construction contracts;</p> <p>(30) • Inventory;</p> <p>(31) • Property, plant and equipment;</p> <p>(32) • Investment property;</p> <p>(33) • Goodwill and other intangible assets; and</p> <p>(34) • Assets held for sale.</p> | Core | 3 |
| (C) RECOGNITION AND MEASUREMENT OF LIABILITIES | | |
| (i) Measurement and reporting | | |
| (35) Apply, explain and evaluate accounting standards for major classes of liabilities, insofar as they affect initial recognition, measurement (including initial measurement and subsequent re-measurement), classification and disclosure, and de-recognition from an entity's statement of financial position. | Core | 3 |
| (36) Evaluate the measurement bases adopted by accounting standard setters and explain different methods of measurement used for major classes of liabilities. | Core | 3 |
| (ii) Specific applications | | |
| <p>Apply the relevant accounting treatment on the following classes of liabilities:</p> <p>(37) • Leases and contracts with the characteristics of leases;</p> <p>(38) • Income tax;</p> <p>(39) • Provisions and contingencies; and</p> <p>(40) • Employee benefits.</p> | Core | 3 |
| (D) RECOGNITION OF REVENUE AND EXPENSES | | |
| (i) Revenue recognition | | |
| <p>Apply and explain the rules for income recognition and deferral, including:</p> <p>(41) • Combination of contracts;</p> <p>(42) • Unbundling of physical and service elements; and</p> <p>(43) • Deferred, variable and contingent consideration.</p> | Core | 3 |
| (ii) Share-based payment transactions and arrangements | | |
| (44) Apply and discuss the recognition and measurement criteria for share-based payment transactions and arrangements. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (45) Account for modifications, cancellations and settlements of share-based payment transactions and arrangements. | Core | 2 |
| (E) FINANCIAL ASSETS AND FINANCIAL LIABILITIES | | |
| (i) Principles of financial instruments reporting | | |
| (46) Apply, discuss and explain the recognition and de-recognition of financial assets and financial liabilities. | Core | 3 |
| (47) Apply, discuss and explain the classification of financial assets and financial liabilities and their measurement and disclosure. | Core | 3 |
| (48) Apply, discuss and explain the treatment of gains and losses arising from financial assets and financial liabilities. | Core | 3 |
| (49) Apply, discuss and explain the treatment of impairment of financial assets. | Core | 3 |
| (ii) Derivatives and hedging | | |
| (50) Account for derivative financial instruments and simple embedded derivatives. | Core | 2 |
| (51) Outline the principles of hedge accounting and account for fair value hedges and cash flow hedges including hedge effectiveness. | Core | 2 |
| (52) Explain the importance of documentation of purported hedging transactions for the purposes of applying hedge accounting. | Core | 2 |
| (F) OTHER STANDARDS ON PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS | | |
| (i) Foreign currency transactions | | |
| (53) Apply and explain the rules for determination of an entity's functional currency. | Core | 3 |
| (54) Apply the rules for recording and reporting foreign currency transactions for a single entity, other than for hedging transactions. | Core | 3 |
| (ii) Earnings per share | | |
| (55) Apply and explain the rules for reporting basic and diluted earnings per share, including where multiple potential ordinary shares are in existence. | Core | 3 |
| (56) Apply and explain the rules for disclosure of alternative measures of earnings per share. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (iii) Operating segment | | |
| (57) Determine the nature and extent of reportable operating segments. | Non-Core | 2 |
| (58) Specify and discuss the nature of operating segment information to be disclosed. | Non-Core | 2 |
| (iv) Events after the reporting date | | |
| (59) Apply and explain the accounting and disclosure for events after the reporting date. | Non-Core | 2 |
| (60) Determine and report going concern issues arising after the reporting date. | Non-Core | 2 |
| (v) Related parties | | |
| (61) Identify the parties considered to be related to an entity. | Core | 3 |
| (62) Identify the implications of related party transactions and the need for disclosure. | Core | 3 |
| (vi) Interim reporting | | |
| (63) Outline the interim reporting requirements under the applicable accounting standards. | Non-Core | 2 |
| (vii) Equity and other comprehensive income | | |
| (64) Apply the accounting, disclosure and presentation requirements for equity and other comprehensive income components. | Core | 3 |
| (G) CONSOLIDATED FINANCIAL STATEMENTS | | |
| (i) Foreign operations | | |
| (65) Outline and apply the translation of foreign operations into the group's presentation currency. | Core | 3 |
| (66) Account for the consolidation of foreign operations and their disposal. | Core | 3 |
| (ii) Group accounting | | |
| (67) Identify and outline: <ul style="list-style-type: none"> • The circumstances in which a group is required to prepare consolidated financial statements; and • The circumstances when a group may claim an exemption from the preparation of consolidated financial statements. | Core | 3 |
| (68) Apply and discuss the criteria used to distinguish between a subsidiary and an associate. | Core | 3 |
| (69) Apply the method of accounting for business combinations including the accounting for non-controlling interests. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (70) Apply the principles in determining the fair value of consideration transferred. | Core | 3 |
| (71) Apply the recognition and measurement criteria for identifiable acquired assets and liabilities and goodwill including situations where business combinations are achieved in stages. | Core | 3 |
| (72) Determine and apply appropriate consolidation procedures to be used in preparing group financial statements, including statements of cash flows. | Core | 3 |
| (73) Apply the equity method of accounting for associates. | Core | 3 |
| (74) Outline and apply the key definitions and accounting methods which relate to interests in joint arrangements. | Core | 3 |
| (iii) Continuing and discontinued interests | | |
| (75) Prepare group financial statements where activities have been discontinued or have been acquired or disposed of in the period. | Non-Core | 2 |
| (76) Apply and discuss the treatment of a subsidiary which has been acquired exclusively with a view for subsequent disposal. | Non-Core | 2 |
| (H) OTHER REPORTING FRAMEWORKS AND EMERGING TRENDS | | |
| (i) Other reporting frameworks | | |
| (77) Demonstrate an understanding of other financial reporting frameworks such as: <ul style="list-style-type: none"> • SMEs; • Statutory Boards; • Charities; and • Cash Basis of Accounting. | Non-Core | 2 |
| (ii) Emerging trends | | |
| (78) Demonstrate awareness of both domestic and international current developments. | Non-Core | 1 |

3 Assurance Module

3.1 Module objective

Upon completion of the Assurance (AS) Module, candidates will be able to analyse, exercise judgment, evaluate and conclude on the assurance engagement, and other audit and assurance issues in the context of best practice and current developments in Singapore and internationally. The module addresses a wide variety of issues that a Chartered Accountant of Singapore may encounter. It develops the candidates' understanding of professional and ethical considerations as well as ensuring they have a broad understanding of the regulatory environment in Singapore. The module covers procedures in practice management, including quality control and the acceptance and retention of professional engagements; the audit of financial statements including planning, managing, evidence and review, as well as other assignments and reporting.

3.2 Module assessment

Each technical module in the Singapore CA Qualification is assessed by way of a written end-of-module examination that accounts for 100% of a Candidate's final grade. The Assurance Module examination is 100% of the assessment and candidates have to attain a minimum of 50% of the available marks to achieve a pass. The time allowed for the examination paper is 3 hours 15 minutes.

3.3 Module at a glance

The learning outcomes for the Assurance Module are spread across seven main categories and grouped into the following sub-categories, providing comprehensive coverage of all significant auditing rules contained within each Singapore Auditing Standard.

(A) LEGAL AND PROFESSIONAL FRAMEWORK

- (i) Regulatory frameworks for audit and assurance services
- (ii) Anti-money laundering and terrorism financing
- (iii) Laws and regulations

(B) CONSIDERATIONS FOR THE PROFESSIONAL ACCOUNTANT

- (i) Code of Professional Conduct and Ethics
- (ii) Fraud and error
- (iii) Professional liability
- (iv) Communication

(C) PRACTICE MANAGEMENT

- (i) Quality control
- (ii) Advertising, publicity, obtaining professional work and fees
- (iii) Appointment and reappointment of auditors

(D) PERFORMING THE AUDIT

- (i) Planning, materiality and assessing the risk of misstatement
- (ii) Evidence
- (iii) Evaluation and review

(iv) Group audits

(E) OTHER ASSIGNMENTS

(i) Review engagements and audit-related services

(ii) Assurance services other than statutory audit

(iii) Prospective financial information (PFI)

(iv) Internal audit

(v) Outsourcing

(F) REPORTING

(i) Auditor's reports

(ii) Reports to those charged with governance and management

(iii) Other reports

(G) CURRENT ISSUES AND DEVELOPMENTS

(i) Professionalism and ethics

(ii) Information technology (IT)

(iii) Social and environmental auditing

(iv) Other current issues

3.4 Assurance Module learning outcomes

The full list of learning outcomes for the Assurance Module, with the associated cognitive level for each learning outcome, are as follows:

| Learning Outcomes and Cognitive Levels | | Core or Non-Core | Cognitive Level |
|--|--|------------------|-----------------|
| (A) | LEGAL AND PROFESSIONAL FRAMEWORK | | |
| (i) | Regulatory frameworks for audit and assurance services | | |
| (1) | Explain the need for laws, regulations, standards and other guidance relating to audit, assurance and related services in Singapore and how they align with international regulatory frameworks, such as those issued by the International Auditing and Assurance Standards Board (IAASB). | Non-Core | 2 |
| (2) | Outline and explain the need for the legal and professional frameworks including: <ul style="list-style-type: none"> • Public oversight of an audit and assurance practice; and • The role of audit committees and the impact on audit and assurance practice. | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | | Core or Non-Core | Cognitive Level |
|---|---|------------------|-----------------|
| (ii) Anti-money laundering and terrorism financing | | | |
| (3) | Explain the scope of 'money laundering and terrorism financing' and the related obligations of a Chartered Accountant of Singapore. | Non-Core | 2 |
| (4) | Explain national Singaporean and international efforts to combat money laundering. | Non-Core | 2 |
| (iii) Laws and regulations | | | |
| (5) | Compare and contrast the respective responsibilities of directors, management and auditors concerning compliance with laws and regulations in an audit of financial statements. | Non-Core | 2 |
| (6) | Describe the auditor's considerations of compliance with laws and regulations and plan audit procedures when possible non-compliance is discovered. | Non-Core | 2 |
| (7) | Explain how, why, when and to whom non-compliance should be reported and the circumstances in which an auditor should withdraw from an engagement. | Non-Core | 2 |
| (B) CONSIDERATIONS FOR THE PROFESSIONAL ACCOUNTANT | | | |
| (i) Code of Professional Conduct and Ethics | | | |
| (8) | Explain the fundamental principles of the Code of Professional Conduct and Ethics. | Core | 3 |
| (9) | Recognise conflicts in the application of fundamental ethical principles. | Core | 3 |
| (10) | Discuss the importance of auditors' independence and professional scepticism in planning and performing an audit. | Core | 3 |
| (11) | Recommend a suitable course of action for a professional accountant to take upon discovering a breach of professional ethics by themselves or by others. | Core | 3 |
| (ii) Fraud and error | | | |
| (12) | Compare and contrast the respective responsibilities of management and auditors relating to fraud and error. | Core | 3 |
| (13) | Describe the matters to be considered and procedures to be carried out in response to risks of misstatements arising from fraud and error. | Core | 3 |
| (iii) Professional liability | | | |
| (14) | Recognise circumstances in which professional accountants may have legal liability. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (15) Explain the concept of due care in the performance of work and describe the factors to determine whether or not an auditor is negligent in given situations. | Core | 2 |
| (16) Recognise the auditor's liability to clients and third parties, including those in transnational engagements and non-audit engagements. | Core | 2 |
| (17) Evaluate the practicability and effectiveness of ways in which liability may be restricted. | Core | 2 |
| (18) Discuss and appraise the principal causes of audit failure and other factors that contribute to the 'expectation gap' (eg responsibilities for fraud and error). | Core | 2 |
| (iv) Communication | | |
| (19) Describe the auditor's responsibility to communicate with those charged with governance and understand the importance of effective two-way communication of specific matters that are required to be communicated to those charged with governance under local and international auditing standards. | Core | 2 |
| (C) PRACTICE MANAGEMENT | | |
| (i) Quality control | | |
| (20) Explain the principles and purpose of quality control of audit and other assurance engagements under the regulatory framework. | Core | 3 |
| (21) Select and justify quality control procedures that are applicable to a given firm and audit engagement. | Core | 3 |
| (22) Assess whether an engagement has been planned and performed in accordance with professional standards and public oversight requirements. | Core | 3 |
| (23) Discuss how the provision of non-audit services to audit clients (including auditor-initiated audit adjustments arising from audit work) may compromise the independence of the audit process. | Core | 3 |
| (ii) Advertising, publicity, obtaining professional work and fees | | |
| (24) Recognise situations in which specified advertisements are acceptable. | Core | 2 |
| (25) Explain the restrictions on practice descriptions and the names of public accounting entities. | Core | 2 |
| (26) Outline the determinants of fee setting and justify the basis on which fees and commissions may and may not be charged for services. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (27) Discuss the ethical and other professional issues, for example, lowballing, involved in establishing and negotiating fees and other types of remuneration for a specified assignment. | Core | 2 |
| (iii) Appointment and reappointment of auditors | | |
| (28) Discuss the reasons why entities change their statutory auditors/professional accountants. | Core | 2 |
| (29) Recognise and explain the factors to be considered when a firm is invited to submit a proposal or fee quote for an audit or other professional engagement. | Core | 2 |
| (30) Identify the information to be included in a proposal. | Core | 2 |
| (31) Explain the matters to be considered and the procedures that an audit firm/professional accountant should carry out before accepting and/or continuing a specified client/engagement including: <ul style="list-style-type: none"> • Client acceptance and continuance; • Engagement acceptance and continuance; • Establish whether the preconditions for an audit are present; • Communicating with the predecessor auditor; and • Agreeing the terms of engagement. | Core | 2 |
| (32) Recognise the key issues that underlie the agreement of the scope and terms of an engagement with a client including the full scope of a statutory audit. | Core | 2 |
| (D) PERFORMING THE AUDIT | | |
| (i) Planning, materiality and assessing the risk of misstatement | | |
| (33) Define materiality and performance materiality and demonstrate how it should be applied in accordance with professional auditing standards. | Core | 2 |
| (34) Identify and explain the importance of understanding the entity and its environment, including internal controls in risk assessment. | Core | 3 |
| (35) Identify and explain material and significant audit risks (broken into risks of material misstatement and detection risks) for a given assignment. | Core | 3 |
| (36) Discuss and apply the use of analytical procedures in the planning of an assignment. | Core | 3 |
| (37) Explain how the result of planning procedures determines the relevant audit strategy. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (38) Explain the planning procedures specific to an initial audit engagement. | Core | 3 |
| (39) Apply the further considerations and audit procedures relevant to initial engagements. | Core | 3 |
| (ii) Evidence | | |
| (40) Explain the matters that are likely to be relevant in determining what constitutes sufficient, appropriate evidence. | Core | 3 |
| (41) Evaluate whether a given scenario represent sufficient evidence. | Core | 3 |
| (42) Explain the rules for documentation of audit evidence, using appropriate media and the reasons for those rules. | Core | 3 |
| (43) Identify and describe audit procedures to obtain sufficient audit evidence from identified sources, eg inquiries, inspection, observation and re-performance. | Core | 3 |
| (44) Assess whether more cost-efficient methods for obtaining evidence to support an assertion would have been possible in a given scenario. | Core | 3 |
| (45) Identify and evaluate the audit evidence expected to be available to support the assertions about classes of transactions, account balances, and presentation and disclosure. | Core | 3 |
| (46) Apply analytical procedures as substantive audit procedures using financial and non-financial data. | Core | 3 |
| (47) Identify accounting estimates and recommend audit procedures and evaluate evidence supporting the assumptions and reasonableness of the estimates, including the related disclosures. | Core | 3 |
| (48) Explain the specific audit risks and procedures concerning related parties and related party transactions including significant transactions outside normal business. | Core | 3 |
| (49) Recognise circumstances that may indicate the existence of unidentified related parties and select appropriate audit procedures. | Core | 3 |
| (50) Explain the use of written management representations to support other audit evidence and the limitations of representations as evidence. | Core | 3 |
| (51) Identify and explain the circumstances in which an auditor is likely to need an expert opinion to obtain sufficient, appropriate evidence on a matter. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (52) Explain the differences for evidence evaluation between an expert appointed by an auditor and an expert appointed by a client. | Core | 3 |
| (53) Evaluate the work required to be done when there is the use of an expert including: <ul style="list-style-type: none"> • Evaluating the relevance, completeness and accuracy of that source data significant to that expert's work provided by management; • Evaluation of the expert's competence, capabilities and objectivity for the statutory auditor's purposes; • Adequacy of the expert's work; and • The statutory auditor's duty to form a concurring opinion with the expert. | Core | 3 |
| (54) Apply and evaluate audit procedures for all transactions in the extant syllabus for the Financial Reporting module. | Core | 3 |
| (55) Explain the use of analytical procedures in evaluation and review. | Core | 3 |
| (56) Explain how the auditor's responsibilities for corresponding figures, comparative financial statements, and 'other information' are discharged. | Core | 3 |
| (iii) Evaluation and review | | |
| (57) Discuss the limitations of the standards on auditing and the possible modifications that they may require in the audits of smaller entities. | Core | 2 |
| (58) Discuss the courses of action available to an auditor when documents containing audited financial statements and the auditor's report include other information that is inconsistent with or undermines the credibility of those financial statements and the auditor's report. | Core | 2 |
| (59) Specify audit procedures designed to identify subsequent events that may require adjustment to, or disclosure in, the financial statements of a given entity or steps to be taken for subsequent discovery of facts. | Core | 2 |
| (60) Identify and explain indicators that the going concern basis may be in doubt and evaluate mitigating factors. | Core | 2 |
| (61) Recommend audit procedures to evaluate the evidence that might be expected to be available and assess the appropriateness of the going concern basis in given situations. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (62) Assess the adequacy of disclosures in financial statements relating to going concern and Explain the implications for the auditor's report with regard to the going concern basis. | Core | 2 |
| (iv) Group audits | | |
| (63) Recognise the specific matters to be considered before accepting appointment as auditor of group financial statements. | Core | 3 |
| (64) Identify and explain the matters specific to planning an audit of group financial statements including assessment of the group, its components, and their environments, the impact of non-coterminous year ends within a group and changes in group structure. | Core | 3 |
| (65) Justify the situations where a joint audit would be appropriate. | Core | 3 |
| (66) Recognise the audit issues and describe audit procedures specific to a business combination. | Core | 3 |
| (67) Identify and explain the audit risks and necessary audit procedures relevant to the consolidation process and group-wide controls. | Core | 3 |
| (68) Identify and describe the matters to be considered and the procedures to be performed at the planning stage, when a group engagement team considers the use of the work of component auditors. | Core | 3 |
| (69) Explain effective communication between the group engagement team and component auditors and the determination and communication of materiality for a group audit, including materiality at the component level. | Core | 3 |
| (70) Explain the responsibilities of component auditors in the context of a group audit. | Core | 3 |
| (71) Consider how the group engagement team should evaluate the audit work performed by a component auditor. | Core | 3 |
| (72) Explain the implications for the auditor's report on the financial statements of an entity where the audit opinion on a component is qualified or otherwise modified in a given situation. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (E) OTHER ASSIGNMENTS | | |
| (i) Review engagements and audit-related services | | |
| (73) Describe the nature of a review engagement and audit-related services, the circumstances in which they might be required and the comparative levels of assurance provided by public accounting entities and distinguish between: <ul style="list-style-type: none"> • A review engagement, audit-related services and an audit of historical financial statements; and • An attestation, review or compilation engagement including compiling proforma financial information for a prospectus. | Non-Core | 2 |
| (74) Plan review engagements, for example: <ul style="list-style-type: none"> • A review of interim financial information; and • A review of historical financial information. | Non-Core | 2 |
| (75) Explain the nature and extent of enquiry and analytical procedures in review engagements and apply these procedures. | Non-Core | 2 |
| (ii) Assurance services other than statutory audit | | |
| (76) Describe the main categories of assurance services that public accounting entities can provide and assess the benefits of providing these services to management and external users. | Non-Core | 2 |
| (77) Justify a level of assurance (reasonable or limited) for an engagement depending on the subject matter evaluated, the criteria used, the procedures applied and the quality and quantity of evidence obtained. | Non-Core | 2 |
| (78) Recognise the ways in which different types of risk (eg strategic, operating, information) may be identified and analysed and how it is communicated to management. | Non-Core | 2 |
| (79) Explain the usefulness to management and other stakeholders of combined assurance, especially in the context of risk management. | Non-Core | 2 |
| (iii) Prospective financial information (PFI) | | |
| (80) Explain the principles of useful PFI. | Non-Core | 2 |
| (81) Identify and describe the matters to be considered before accepting a specified engagement to report on PFI. | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | | Core or Non-Core | Cognitive Level |
|---|--|------------------|-----------------|
| (82) | Describe examination procedures for forecasts and projections. | Non-Core | 2 |
| (83) | Apply extant standards for examination and reporting of PFI engagements. | Non-Core | 2 |
| (84) | Compare the content of a report on an examination of PFI with reports made in providing audit-related services and apply the regulatory prescriptions. | Non-Core | 2 |
| (iv) Internal audit | | | |
| (85) | Evaluate the potential impact of an internal audit function on the planning and performance of the statutory audit. | Core | 2 |
| (86) | Explain how external and internal auditors may work together to provide stakeholders with combined assurance, including the need to plan all assignments. | Core | 2 |
| (v) Outsourcing | | | |
| (87) | Discuss and conclude on the advantages and disadvantages of outsourcing finance and accounting functions. | Non-Core | 1 |
| (88) | Recognise and evaluate the impact of outsourced functions on the conduct of an audit and the use of assurance reports on controls at a third-party service organisation. | Non-Core | 1 |
| (F) REPORTING | | | |
| (i) Auditor's reports | | | |
| (89) | Critically appraise the form and content of an auditor's report in a given situation. | Core | 3 |
| (90) | Recognise and evaluate the factors to be taken into account when forming an opinion in a given situation and justify opinions that are consistent with the results of audit or assurance procedures. | Core | 3 |
| (91) | Assess whether a proposed audit opinion is appropriate. | Core | 3 |
| (92) | Advise on the actions that may be taken by the auditor in the event that a modified audit report is issued including actions that must be taken under the existing regulatory framework. | Core | 3 |
| (93) | Explain when the use of an 'emphasis of matter' paragraph and 'other matter' paragraph would be appropriate. | Core | 3 |
| (ii) Reports to those charged with governance and management | | | |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (94) Critically assess the quality of reports by others and by management to those charged with governance and management. | Core | 3 |
| (95) Advise on the content of reports to those charged with governance and management in a given situation. | Core | 3 |
| (iii) Other reports | | |
| (96) Analyse the form and content of the professional accountant's report for an assurance engagement as compared with an auditor's report and the restricted use of reports. | Non-Core | 2 |
| (97) Discuss the content of a report on examination of prospective financial information. | Non-Core | 2 |
| (98) Discuss the effectiveness of the 'negative assurance' form of reporting and evaluate situations in which it may be appropriate to express a reservation or deny a conclusion. | Non-Core | 2 |
| (G) CURRENT ISSUES AND DEVELOPMENTS | | |
| (i) Professionalism and ethics | | |
| (99) Discuss the relative advantages of an ethical framework and a rulebook. | Non-Core | 2 |
| (100) Identify and assess relevant emerging ethical issues and evaluate the safeguards available. | Non-Core | 2 |
| (101) Discuss ethical issues in the context of current developments in Asia and internationally. | Non-Core | 2 |
| (ii) Information technology (IT) | | |
| (102) Describe recent trends in IT and their current and potential impact on auditors (eg the audit implications of 'cyber incidents' and other risks). | Non-Core | 2 |
| (103) Explain how IT may be used to assist auditors and discuss the issues that may be encountered in automating the audit process. | Non-Core | 2 |
| (104) Explain the circumstances in which enhancements to data capture and information processing systems may add value to a client's activities. | Non-Core | 2 |
| (105) Discuss how business reporting on the internet and growing use of XBRL impacts on the duties of the auditor and how assurance may best be given to stakeholders using such information. | Non-Core | 2 |
| (iii) Social and environmental auditing | | |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (106) Explain the auditor's main considerations in respect of social and environmental matters and how they impact on entities and their financial statements (eg impairment of assets, provisions and contingent liabilities). | Non-Core | 2 |
| (107) Describe substantive procedures to detect potential misstatements in respect of socio-environmental matters. | Non-Core | 2 |
| (iv) Other current issues | | |
| (108) Explain current developments in Singapore and international auditing standards including the need for new and revised standards and evaluate their impact on the conduct of audits. | Non-Core | 1 |
| (109) Discuss other current legal, ethical, professional and practical matters that affect accountants, auditors, their employers and the profession. | Non-Core | 1 |
| (110) Explain the circumstances in which listed entity audit failures have mostly taken place in Singapore and overseas in the preceding 20 years, paying particular attention to the apparent ethics of management (including family-owned companies), internal and statutory auditors and others involved in the financial reporting chain. | Non-Core | 1 |

4 Business Valuation, Governance and Risk (BVGR) Module

4.1 Module objective

Upon completion of the Business Value, Governance and Risk (BG) module, candidates will be able to demonstrate a sound understanding of the basis upon which corporate value is created, maintained sustainably (eg sound investment decisions) and protected (eg by avoidance of excessive concentration of power and lack of scrutiny of management). Candidates will be able to assess how governance arrangements may prevent long-term dysfunctional behaviour. The module addresses risk management as a key factor in governance and strategy. It develops skills from previous studies in asset valuation in the context of wider considerations of capital investment appraisal, including strategic investment decisions, taking into account underlying financial risk management concepts for effective and responsible decision making.

4.2 Module assessment

Each technical module in the Singapore CA Qualification is assessed by way of a written end-of-module examination that accounts for 100% of a Candidate's final grade.

The BVGR examination is 100% of the assessment and candidates have to attain a minimum of 50% of the available marks to achieve a pass. The time allowed for the examination paper is 3 hours 15 minutes.

4.3 Module at a glance

The learning outcomes for the BVGR Module are spread across four main categories and grouped into the following sub-categories, providing an insight into the role of investment, governance, internal control and risk management on business value creation and business sustainability.

(A) ENHANCING BUSINESS VALUE

- (i) Increasing business value through organic growth and acquisitions
- (ii) Sustaining business value through sound corporate governance

(B) INVESTMENT APPRAISAL

- (i) Business valuation techniques
- (ii) Impact of financing on investment decisions
- (iii) International investment and financing decisions
- (iv) Mergers and acquisitions versus other growth strategies

(C) GOVERNANCE AND RESPONSIBILITY

- (i) The Board of Directors
- (ii) Scope of corporate governance
- (iii) Board committees
- (iv) Directors' performance evaluation and remuneration
- (v) Identifying and assessing risk
- (vi) Targeting and monitoring of risk

- (vii) Categories of risk
- (viii) Assessment and measurement of risk
- (ix) Risk management and modelling

(D) INTERNAL CONTROL AND REVIEW

- (i) Management information in internal control
- (ii) Management control systems in corporate governance
- (iii) Internal control and audit in corporate governance
- (iv) Emerging trends and current issues

4.4 Business Valuation, Governance and Risk Module learning outcomes

The full list of learning outcomes for the Business Valuation, Governance and Risk Module, with the associated cognitive level for each learning outcome, are as follows:

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (A) ENHANCING BUSINESS VALUE | | |
| (i) Increasing business value through organic growth and acquisitions | | |
| (1) Evaluate capital investment appraisal systems. | Core | 3 |
| (2) Evaluate strategic considerations in mergers and acquisitions. | Core | 3 |
| (3) Explain the strategic role of an effective risk management framework in enhancing business value. | Core | 3 |
| (ii) Sustaining business value through sound corporate governance | | |
| (4) Define and justify sustainable business value creation. | Core | 2 |
| (5) Explain the strategic role of a sound corporate governance structure, in balancing short-term financial objectives against medium to long-term business aims, in pursuit of an overall corporate mission. | Core | 3 |
| (6) Justify the use of corporate governance mechanisms in ensuring the maintenance of the following forms of capital, from a business continuity maintenance of the following forms of capital, from a business continuity and sustainability perspective: <ul style="list-style-type: none"> • Financial capital; • Manufactured capital; • Human capital; • Intellectual capital; • Natural capital; and • Social capital. | Core | 3 |
| (7) Recommend appropriate corporate governance safeguards to adopt or adapt in the face of unsustainable or dysfunctional management behaviour in specific business contexts. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (B) INVESTMENT APPRAISAL | | |
| (i) Business valuation techniques | | |
| (8) Identify and explain both the commonly used valuation terms and international glossary of valuation terms. | Non-Core | 1 |
| (9) Identify and explain the various bases and premise of value in relation to Equitable value, Investment value, Liquidation value, Fair market value, Fair value, Orderly liquidation and Forced Sale. | Non-Core | 1 |
| (10) Explain the rationale for adjustments in determining valuation. | Non-Core | 1 |
| (11) Apply the different business valuation techniques including the discounted cash flow method, future maintainable earnings method and the revised net asset value method for appraising investments. | Core | 3 |
| (ii) Impact of financing on investment decisions | | |
| (12) Assess the appropriateness and cost of the various sources of financing available to a company. | Core | 3 |
| (13) Assess the impact of interest rate changes on a company's debt exposure. | Core | 2 |
| (14) Assess the impact of a company's credit quality on its debt financing options. | Core | 2 |
| (iii) International investment and financing decisions | | |
| (15) Evaluate the significance of exchange controls for a given investment decision and strategies for dealing with restricted remittance. | Core | 3 |
| (16) Assess the impact on a project upon a company's exposure to foreign exchange, cross-border transactions and economic risk. | Core | 3 |
| (17) Assess the costs and benefits of alternative sources of financing available within the international equity and bond markets. | Core | 2 |
| (iv) Mergers and acquisitions versus other growth strategies | | |
| (18) Discuss the arguments for and against the use of mergers and acquisitions as a method of corporate expansion. | Core | 2 |
| (19) Evaluate, from a given context, the potential for synergy separately classified as: <ul style="list-style-type: none"> • Revenue synergy; • Cost synergy; and • Financial synergy. | Core | 3 |
| (20) Outline the problems of overvaluation of target | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| companies. | | |
| (21) Assess the impact of an acquisition or merger on the risk profile of the acquirer. | Core | 3 |
| (22) Demonstrate an understanding of the procedure for valuing high growth start-ups. | Core | 2 |
| (23) Demonstrate an understanding of the principal factors influencing the development of the regulatory framework for mergers and acquisitions globally. | Core | 2 |
| (C) GOVERNANCE AND RESPONSIBILITY | | |
| (i) The Board of Directors | | |
| (24) Understand the effects of 'tone at the top' on sound corporate governance. | Core | 2 |
| (25) Explain and evaluate the roles and responsibilities of boards of directors and the composition and structure of the board. | Core | 3 |
| (26) Describe and assess the purposes, roles and responsibilities of directors and non-executive directors (NEDs), including independent directors. | Core | 2 |
| (27) Describe and analyse the general principles of legal and regulatory frameworks within which directors operate on corporate boards in Asia. | Core | 2 |
| (28) Define, explore and compare the roles of the Chief Executive Officer and company Chairman. | Core | 2 |
| (ii) Scope of corporate governance | | |
| (29) Explain, apply and analyse the purpose of corporate governance in the Asian context, especially in relation to: <ul style="list-style-type: none"> • How strong corporate governance and stakeholder relations can help entities plan for the long-term and make better investment decisions; • Balancing the need for timely decision making with avoidance of power abuse; • How confidence in the corporate governance of an entity can reduce perceived business risk and impact on valuation; • Different stakeholder attitudes to the value-added of corporate governance procedures; • The link between corporate governance and political certainty and stability - recognising the similarity between corporate governance and political constitutions; and • Prevention of dysfunctional concentrations of power. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (30) Compare and distinguish the different governance issues between the public, private and non-governmental organisations (NGO) sectors. | Core | 2 |
| (31) Explain and evaluate the roles, interests and claims of the following stakeholders involved in corporate governance: <ul style="list-style-type: none"> • Directors; • Management; • Investors; • Auditors; and • Regulators and Government. | Core | 3 |
| (32) Explain and briefly explore the development of the Singapore Code of Corporate Governance including its impetus and background, in comparison to other major principles-based corporate governance codes and the effects of this code on businesses. | Core | 2 |
| (iii) Board committees | | |
| (33) Explain and evaluate the role and purpose of the following committees in effective corporate governance: <ul style="list-style-type: none"> • Remuneration committees; • Nomination committees; • Risk committees; and • Audit committees. | Core | 3 |
| (iv) Directors' performance evaluation and remuneration | | |
| (34) Explain and analyse the general principles for assessing the performance and remuneration of directors. | Non-Core | 1 |
| (35) Explain and analyse the legal, ethical, competitive and regulatory issues associated with directors' remuneration. | Non-Core | 1 |
| (v) Identifying and assessing risk | | |
| (36) Define and explain risk in the context of corporate governance. | Core | 2 |
| (37) Define and describe management responsibilities in risk management. | Core | 2 |
| (38) Explain the dynamic nature of risk assessment. | Core | 2 |
| (39) Explain risk appetite and how this affects risk policy. | Core | 2 |
| (vi) Targeting and monitoring of risk | | |
| (40) Explain and evaluate the importance of monitoring risks. | Core | 3 |
| (41) Describe and analyse the approach to embedding risk management in an organisation. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (vii) Categories of risk | | |
| (42) Analyse business risks, including strategic, operational, and financial risks. | Core | 3 |
| (viii) Assessment and measurement of risk | | |
| (43) Explain the concepts of assessing the severity and probability of risk events. | Core | 2 |
| (44) Describe and evaluate a risk assessment framework. | Core | 3 |
| (45) Assess the importance and limitations of information for risk management. | Core | 3 |
| (46) Apply appropriate risk measurement techniques and explain the application of risk management. | Core | 2 |
| (ix) Risk management and modelling | | |
| (47) Explain and assess the importance of risk transfer, avoidance, reduction and acceptance. | Core | 3 |
| (48) Explain and assess the necessity of risk-taking as part of managing an organisation. | Core | 3 |
| (49) Explain how business organisations use policies and techniques to mitigate various types of strategic, operational and financial risks. | Core | 2 |
| (D) INTERNAL CONTROL AND REVIEW | | |
| (i) Management information in internal control | | |
| (50) Evaluate the qualities and characteristics of information required in internal controls, risk management and risk monitoring. | Non-Core | 2 |
| (51) Evaluate the costs and benefits in the development of a management information system and/or enterprise risk management system. | Non-Core | 2 |
| (ii) Management control systems in corporate governance | | |
| (52) Explain the importance of internal controls and risk management in corporate governance. | Non-Core | 2 |
| (iii) Internal control and audit in corporate governance | | |
| (53) Describe the importance of internal controls on both internal and external audits. | Core | 3 |
| (54) Explore and evaluate the effectiveness of internal control systems. | Core | 3 |
| (iv) Emerging trends and current issues | | |
| (55) Summarise the key issues in relation to both domestic and international emerging trends and current issues. | Non-Core | 1 |

5 Taxation Module

5.1 Module objective

Upon completion of the Taxation (TX) module, candidates will be able to deal with the Singapore taxation issues that a general purpose accountant (ie an accountant other than one specialising in the provision of tax advice) is likely to encounter, such as income tax from self-employment; employment and investments; the corporation tax liability of individual companies and groups of companies; stamp duty; the goods and services tax liability of businesses; and the types of tax incentives available. Candidates should also be able to appreciate tax planning opportunities under domestic taxation laws. Candidates will also be expected to understand international taxation and comparative tax treatments for financial risk management.

5.2 Module assessment

Each technical module in the Singapore CA Qualification is assessed by way of a written end-of-module examination that accounts for 100% of a Candidate's final grade. The Taxation Module examination is 100% of the assessment and candidates have to attain a minimum of 50% of the available marks to achieve a pass. The time allowed for the examination paper is 3 hours 15 minutes.

5.3 Module at a glance

The learning outcomes for the Taxation Module are spread across nine main categories and grouped into the following sub-categories, providing comprehensive coverage of all significant areas of the Singapore taxation system.

(A) PERSONAL INCOME TAX LIABILITIES

- (i) The scope of income tax
- (ii) Income from employment
- (iii) Property and investment income
- (iv) The use of exemptions or reliefs in deferring and minimising income tax liabilities
- (v) Income from self-employment
- (vi) Capital allowances
- (vii) Relief for trading losses
- (viii) Partnerships, limited liability partnerships and limited partnerships
- (ix) Responsibilities as an employer
- (x) The comprehensive computation of taxable income and income tax liability

(B) CORPORATE INCOME TAX LIABILITIES

- (i) Profits chargeable to corporate income tax
- (ii) The scope of corporate income tax
- (iii) The comprehensive computation of the corporate income tax liability
- (iv) The tax effect of a group corporate structure for corporate income tax purposes
- (v) Income tax liability in a cross-border context

- (vi) Tax incentives provided for under the *Income Tax Act* and *Economic Expansion Incentives (Relief from Income Tax) Act*
 - (vii) Others
- (C) **WITHHOLDING TAX**
- (i) Understand the scope of withholding tax
 - (ii) Know the withholding tax filing requirements
 - (iii) Identify and apply the relevant withholding tax rates
 - (iv) Be aware of ways to minimise withholding tax
- (D) **STAMP DUTY**
- (i) The scope of stamp duty
 - (ii) Stamp duty treatment
 - (iii) Stamp duty reliefs and remissions
 - (iv) The administration of stamp duties
- (E) **GOODS AND SERVICES TAX (GST)**
- (i) The scope of goods and services tax
 - (ii) The computation of GST liabilities
 - (iii) The GST registration requirements
- (F) **THE IMPORTANCE OF TAXATION TO PERSONAL AND CORPORATE FINANCIAL MANAGEMENT**
- (i) The principles underlying personal financial management
 - (ii) How an individual's personal financial objectives may differ depending on his/her circumstances and expectations
 - (iii) The applicability of the common forms of personal finance and investment products in a given set of circumstances, including ethical considerations
 - (iv) How taxation can affect the financial decisions made by businesses (corporate and unincorporated) and by individuals
- (G) **THE IMPACT OF RELEVANT TAXES ON VARIOUS SITUATIONS AND COURSES OF ACTION, INCLUDING THE INTERACTION OF TAXES**
- (i) Contingent tax advice
 - (ii) Statutory obligations in different situations
- (H) **ETHICALLY MINIMISE AND/OR DEFER TAX LIABILITIES BY THE USE OF STANDARD TAX PLANNING MEASURES**
- (i) Tax efficient investments
 - (ii) Tax planning and advisory implications
 - (iii) Current issues in taxation
- (I) **COMMUNICATING WITH CLIENTS, IRAS AND OTHER PROFESSIONALS IN AN APPROPRIATE MANNER**
- (i) Communication of advice, recommendations and information in the required format
 - (ii) The time limits for the submission of information, claims and payment of tax

- (iii) Penalties for non-compliance
- (iv) The procedures relating to enquiries, appeals and disputes

5.4 Taxation Module learning outcomes

The full list of learning outcomes for the Taxation Module, with the associated cognitive level for each learning outcome, are as follows:

| Learning Outcomes and Cognitive Levels | | Core or Non-Core | Cognitive Level |
|--|--|------------------|-----------------|
| (A) PERSONAL INCOME TAX LIABILITIES | | | |
| (i) The scope of income tax | | | |
| (1) | Explain how the tax residency of an individual is determined. | Core | 3 |
| (2) | Demonstrate the application of the three-year and two-year concessional rules for determining tax residence. | Core | 3 |
| (3) | Apply the concepts of tax residence for an individual and its relevance to income tax. | Core | 3 |
| (4) | Explain the tax position of individuals entering and leaving Singapore. | Core | 2 |
| (5) | Determine the income tax treatment for overseas income. | Core | 3 |
| (6) | Understand the relevance of the OECD Model Tax Convention under tax treaties in various situations. | Core | 1 |
| (ii) Income from employment | | | |
| (7) | Recognise the factors that determine whether an engagement is treated as employment or self-employment and the tax implications thereof. | Core | 3 |
| (8) | Recognise the different basis of assessment of employment income for an individual who is a tax resident or a non-tax resident of Singapore. | Core | 3 |
| (9) | Distinguish between gains and profits from employment and capital receipts. | Core | 3 |
| (10) | Compute the assessable income. | Core | 3 |
| (11) | Recognise the allowable expenses that can be deducted from employment income. | Core | 3 |
| (12) | Compute the amount of employment benefits assessable, including share options, share awards and excess Central Provident Fund (CPF) contributions made by an employer. | Core | 3 |
| (13) | Explain the tax treatment of equity-based remuneration schemes. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (14) Explain the tax treatment of lump sum receipts eg retrenchment benefits, retirement gratuities. | Core | 2 |
| (15) Explain the not ordinarily resident (NOR) scheme. | Core | 3 |
| (iii) Property and investment income | | |
| (16) Compute the net investment income, in properties and equities, placement of funds on deposits with banks and loans granted both within and outside Singapore. | Core | 3 |
| (17) Recognise the difference between a business carrying on a trade and held for pure investment intent. | Core | 2 |
| (18) Compute the tax payable on dividend income. | Core | 3 |
| (19) Recognise the exemptions available for certain types of investment income including investments in unit trusts. | Core | 2 |
| (20) Outline the income tax position of trust beneficiaries. | Core | 1 |
| (iv) The use of exemptions or reliefs in deferring and minimising income tax liabilities | | |
| (21) Explain and compute the tax relief for CPF contributions made by employees and the self-employed. | Core | 3 |
| (22) Apply and clarify the tax rules relating to the CPF contributions for employees and the self-employed. | Core | 3 |
| (23) Apply the rules relating to the Supplementary Retirement Scheme (SRS) for employees and the self-employed. | Core | 2 |
| (24) Recognise the tax implications for a shareholder/director extracting profits from an owner managed company by way of remuneration versus dividend payments. | Core | 3 |
| (v) Income from self-employment | | |
| (25) Recognise the basis of assessment of income from self-employment. | Core | 3 |
| (26) Distinguish between income and capital receipts. | Core | 3 |
| (27) Describe and apply the six badges of trade. | Core | 3 |
| (28) Recognise the relief that can be obtained for pre-commencement expenses. | Core | 2 |
| (29) Recognise Singapore-sourced professional income of non-residents. | Core | 3 |
| (vi) Capital allowances: | | |
| (30) Define 'plant and machinery' for capital allowances purposes. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (31) Compute capital allowances claimable including accelerated and one-year write-off. | Core | 3 |
| (32) Compute balancing allowances and balancing charges. | Core | 3 |
| (33) Compute industrial buildings annual allowance for existing qualifying buildings. | Core | 3 |
| (34) Compute the balancing adjustment on the disposal of an industrial building. | Core | 3 |
| (35) Describe how capital allowances can be carried forward and carried back. | Core | 3 |
| (36) Describe how capital allowances can be claimed against total income. | Core | 3 |
| (37) Illustrate the order of set-off of current and previous years' capital allowances. | Core | 3 |
| (vii) Relief for trading losses: | | |
| (38) Explain and apply how trading losses can be carried forward and carried back. | Core | 3 |
| (39) Explain and apply how trading losses can be claimed against total income. | Core | 3 |
| (40) Explain and apply the order of set-off of current and previous years' trading losses. | Core | 3 |
| (viii) Partnerships, limited liability partnerships and limited partnerships: | | |
| (41) Explain how a partnership is assessed for tax. | Core | 3 |
| (42) Compute the assessable profits for each partner following a change in the profit-sharing ratio. | Core | 3 |
| (43) Compute the assessable profits for each partner following a change in the membership of the partnership. | Core | 3 |
| (44) Explain the capital allowances, industrial building allowances and trade loss relief restriction that applies to the partners of a limited liability partnership and a limited partnership. | Core | 3 |
| (45) Recognise the tax treatment of the income of a partnership. | Core | 3 |
| (46) Explain the tax implications arising from the transition of a partnership to a limited liability partnership or a limited partnership and vice versa. | Core | 3 |
| (ix) Responsibilities as an employer | | |
| (47) Describe the responsibilities of an employer in reporting employee earnings. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (48) Determine when to seek tax clearance and how to file for tax clearance for non-citizen foreign employees. | Core | 2 |
| (x) The comprehensive computation of taxable income and income tax liability | | |
| (49) Prepare an income tax computation involving different income sources. | Core | 3 |
| (50) Calculate the amount of personal reliefs available to individuals and recognise the reliefs and rebates claimable, such as earned income, spouse, children, working mother's child relief, life assurance, aged parents, grandparent caregiver, course fees, foreign maid levy, NSman and parenthood tax rebate. | Core | 3 |
| (51) Describe the tax relief for donations and the carry forward of unabsorbed donations. | Core | 3 |
| (52) Compute the chargeable income and the amount of income tax payable. | Core | 3 |
| (53) Explain the tax treatment of a jointly owned property by a married couple and the exemption granted on owner-occupied residential property. | Core | 3 |
| (54) Determine the income taxability of minors. | Core | 3 |
| (B) CORPORATE INCOME TAX LIABILITIES | | |
| (i) Profits chargeable to corporate income tax | | |
| (55) Distinguish between income receipts and capital gains. | Core | 3 |
| (56) Recognise the tax treatment of trade/business income. | Core | 3 |
| (57) Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit (as for individual income tax). | Core | 3 |
| (58) Recognise the tax treatment of income from sources other than trade/business. | Core | 2 |
| (59) Recognise the tax treatment of foreign-sourced income received or deemed received in Singapore. | Core | 2 |
| (60) Explain how tax relief can be obtained for pre-commencement expenses. | Core | 2 |
| (61) Compute capital allowances for plant and machinery (as for individual income tax). | Core | 3 |
| (62) Compute capital allowances for intellectual property rights. | Core | 3 |
| (63) Compute income arising from the business of making investments. | Core | 3 |
| (64) Recognise income that is tax exempt. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (65) Illustrate how trading losses can be carried forward and forfeited. | Core | 3 |
| (66) Demonstrate how trading losses can be claimed against income of the current or previous accounting periods. | Core | 3 |
| (67) Recognise the order of set-off of capital allowances and losses of current and previous years. | Core | 3 |
| (68) Compute chargeable income for a business. | Core | 3 |
| (69) Describe how different financial assets and liabilities should be treated for income tax purposes (including FRS 39 tax treatments/adjustments). | Core | 2 |
| (70) Compute the service income and advise on the tax consequences for a service company. | Core | 3 |
| (ii) The scope of corporate income tax | | |
| (71) Define the terms 'basis period' and 'year of assessment'. | Core | 3 |
| (72) Determine the basis period for assessing corporate profits, including the case of a change of financial reporting date. | Core | 3 |
| (73) Detail the tax obligations of incorporating a company. | Core | 3 |
| (74) Explain how the tax residence of a company is determined. | Core | 3 |
| (75) Compare the differences in tax treatments between an incorporated company, a branch of a foreign company and a representative office. | Core | 3 |
| (76) Outline the tax obligations or duties of a liquidator in winding up a company. | Core | 2 |
| (iii) The comprehensive computation of the corporate income tax liability | | |
| (77) Prepare a basic tax computation for a company with different income sources, including investment income. | Core | 3 |
| (78) Describe the tax relief for donations and the carry forward of unabsorbed donations. | Core | 2 |
| (79) Explain the tax implications arising from the distribution of profits by a company to its shareholders. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (80) Compute the corporation income tax liability, including the basic calculation of unilateral tax credit and foreign tax credit (including foreign tax credit pooling). | Core | 3 |
| (81) Explain how tax exemptions and reliefs can defer or minimise corporate income tax liabilities. | Core | 2 |
| (iv) The tax effect of a group corporate structure for corporate income tax purposes | | |
| (82) Define members of the same group and recognise the effect of being a member of the same group for corporation tax purposes. | Core | 3 |
| (83) Recognise the tax reliefs that are available to members of such a group. | Core | 3 |
| (84) Outline the basic principles contained in the transfer pricing guidelines, including different commonly used methodologies for setting and defending transfer prices, especially in cross-border transfers. | Core | 2 |
| (85) Examine the effect of a group structure for corporate income tax purposes: <ul style="list-style-type: none"> • Tax consequences of a transfer of assets and business, including eligibility under the Mergers and Acquisitions (M&A) Scheme; • Effects of the anti-tax avoidance provisions; • Effects of a corporation becoming a member of a group for only part of a year; and • Position where a member of a group enjoys a concessionary rate of tax. | Core | 2 |
| (v) Income tax liability in a cross-border context | | |
| (86) Outline the impact of the OECD Model Tax Convention under tax treaties on corporate income tax. | Core | 2 |
| (87) Define and discuss the tax implications of a 'permanent establishment'. | Core | 2 |
| (88) Detail the tax position of overseas companies trading in Singapore. | Core | 2 |
| (89) Define and explain anti-tax avoidance provisions. | Core | 3 |
| (90) Summarise the provisions within specific Avoidance of Double Taxation Agreements (DTAs). | Core | 2 |
| (vi) Tax incentives provided for under the <i>Income Tax Act</i> and <i>Economic Expansion Incentives (Relief from Income Tax) Act</i> | | |
| (91) Explain the availability of tax incentives for relevant trading activities and business situations including tax incentives for specialised industries such as shipping, | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| banking, insurance, etc. | | |
| (vii) Others | | |
| (92) Explain the nature of contractual agreements, the agency relationship, and the consequences of negligence for tax agents. | Core | 3 |
| (93) Show knowledge of tax treatment for charities, clubs, trade associations and similar institutions. | Core | 2 |
| (94) Show knowledge of tax treatment for non-resident ship owners, charterers, air transport undertakings and related exemptions. | Core | 1 |
| (C) WITHHOLDING TAX | | |
| (i) Understand the scope of withholding tax | | |
| (95) Describe the scope of withholding tax. | Core | 3 |
| (96) Explain the withholding tax implications arising from payments made to non-residents. | Core | 3 |
| (ii) Know the withholding tax filing requirements | | |
| (97) Recognise the due dates for payment of withholding tax. | Core | 3 |
| (98) Complete the requisite withholding tax form and comply with filing requirements. | Core | 3 |
| (iii) Identify and apply the relevant withholding tax rates | | |
| (99) Identify the various withholding tax rates on different income sources. | Core | 3 |
| (100) Calculate payment penalties on withholding tax. | Core | 3 |
| (iv) Be aware of ways to minimise withholding tax | | |
| (101) Illustrate how withholding tax can be minimised. | Core | 2 |
| (D) STAMP DUTY | | |
| (i) The scope of stamp duty | | |
| (102) Explain the duties payable on transfers of shares and securities. | Core | 3 |
| (103) Explain the duties payable on transfers of immovable property. | Core | 3 |
| (104) Explain the duties payable on lease and tenancy agreements. | Core | 3 |
| (ii) Stamp duty treatment | | |
| (105) Describe the stamp duty treatment for property transfers involving no consideration and group transfers. | Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (iii) Stamp duty reliefs and remissions | | |
| (106) Appreciate conveyance directions, aborted sale and purchase agreements and terminated leases. | Core | 1 |
| (iv) The administration of stamp duties | | |
| (107) Explain the systems by which stamp duties are administered. | Core | 2 |
| (108) Recognise the detailed rules on interest and penalties. | Core | 2 |
| (E) GOODS AND SERVICES TAX (GST) | | |
| (i) The scope of GST | | |
| (109) Describe the scope of GST including transactions, which are out of scope eg third-country sale and transfer of going concern (TOGC) that fall under the Reverse charge (RC) mechanism or the Overseas vendor registration regime, as well as those that are out of scope. | Core | 3 |
| (110) Explain the different types of supplies eg zero-rated and exempt supplies. | Core | 3 |
| (111) Evaluate the common GST schemes and incentives available. | Core | 2 |
| (ii) The computation of GST liabilities | | |
| (112) Explain how GST is accounted for and administered. | Core | 3 |
| (113) Recognise the tax point under the time of supply rules when goods or services are supplied. | Core | 3 |
| (114) Explain price display, invoicing and other record keeping requirements for a GST registered business. | Core | 2 |
| (115) Explain and apply the principles regarding the valuation of supplies including imports. | Core | 2 |
| (116) Recognise the circumstances in which input GST is claimable and non-claimable (such as blocked input tax). | Core | 2 |
| (117) Recognise the GST implications of a business making exempt supplies (eg de minimis rule). | Core | 2 |
| (118) Recognise the GST implications for customer accounting for prescribed goods. | Core | 2 |
| (119) Compute the available GST reliefs eg trade debts that are bad. | Core | 3 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (120) Explain the GST implications of the supply of land and buildings in Singapore | Core | 2 |
| (121) Explain the GST implications of imports and exports, including the Major Exporter Scheme (MES). | Core | 2 |
| (122) Explain the GST implications of partial exemption. | Core | 2 |
| (123) Outline the imposition of GST penalties. | Core | 2 |
| (124) Advise on GST treatment for fringe benefits that are commonly given free to employees. | Core | 3 |
| (125) Recognise the different GST treatment for reimbursements and disbursements. | Core | 3 |
| (iii) The GST registration requirements | | |
| (126) Recognise the circumstances in which a person must register for GST. | Core | 3 |
| (127) Explain the advantages of voluntary GST registration. | Core | 3 |
| (128) Explain the circumstances in which pre-incorporation and pre-registration input GST can be recovered. | Core | 2 |
| (129) Advise on the GST impact of group registration and divisional registration and GST implications on deregistration. | Core | 3 |
| (130) Explain how and when a person can de-register for GST and GST implications upon deregistration. | Core | 3 |
| (131) Recognise the GST implications where there is a change in business constitution and ownership. | Core | 2 |
| (F) THE IMPORTANCE OF TAXATION TO PERSONAL AND CORPORATE FINANCIAL MANAGEMENT | | |
| (i) The principles underlying personal financial management | | |
| (132) Calculate the receipt from a transaction net of tax, compare the results of alternative scenarios and advise on the most tax efficient course of action. | Non-Core | 2 |
| (ii) How an individual's personal financial objectives may differ depending on his/her circumstances and expectations. | | |
| (133) Communicate and apply the effect of age, family commitments, aspirations and the economy on personal financial objectives. | Non-Core | 2 |
| (iii) The applicability of the common forms of personal finance and investment products in a given set of circumstances, including ethical considerations | | |
| (134) Compare and contrast the different tax treatments for the sources of finances available to individuals. | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|--|------------------|-----------------|
| (135) Compare and contrast the different tax treatments for investment products: <ul style="list-style-type: none"> • Deposit based investments; • Equities; • REITs; and • Unit trusts. | Non-Core | 2 |
| (iv) How taxation can affect the financial decisions made by businesses (corporate and unincorporated) and by individuals | | |
| (136) Explain the tax effects of raising equity, loan finance and other sources of funding. | Non-Core | 2 |
| (137) Explain the impact of taxation on the cash flows of a business. | Non-Core | 2 |
| (G) THE IMPACT OF RELEVANT TAXES ON VARIOUS SITUATIONS AND COURSES OF ACTION, INCLUDING THE INTERACTION OF TAXES | | |
| (i) Contingent tax advice | | |
| (138) Identify and understand the different tax consequences due to the various ways of achieving personal or business outcomes. | Non-Core | 2 |
| (139) Assess the tax advantages and disadvantages of alternative courses of action. | Non-Core | 2 |
| (ii) Statutory obligations in different situations | | |
| (140) Explain the statutory obligations imposed in a given situation, including any time limits for action and advising on the implications of non-compliance. | Non-Core | 2 |
| (H) ETHICALLY MINIMISE AND/OR DEFER TAX LIABILITIES BY THE USE OF STANDARD TAX PLANNING MEASURES | | |
| (i) Tax efficient investments | | |
| (141) Identify and advise on the types of investments and other expenditures that will result in a reduction in tax liabilities for an individual and/or a business. | Non-Core | 2 |
| (142) Advise on legitimate tax planning measures by which the tax liabilities arising from a particular situation or course of action can be mitigated. | Non-Core | 2 |
| (143) Advise on the appropriateness of such investments, expenditures or measures given a particular taxpayer's circumstances or stated objectives for tax planning purposes. | Non-Core | 2 |
| (ii) Tax planning and advisory implications | | |
| (144) Advise on the mitigation of tax liabilities with | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| reference to numerical analysis and/or reasoned argument. | | |
| (145) Identify and evaluate the ethical and professional issues arising from the provision of tax planning advice. | Non-Core | 2 |
| (iii) Current issues in taxation | | |
| (146) Appreciate the current issues in taxation, including the effect of court decisions in recent major tax cases on the interpretation of existing tax legislation. | Non-Core | 1 |
| (I) COMMUNICATING WITH CLIENTS, THE IRAS AND OTHER PROFESSIONALS IN AN APPROPRIATE MANNER | | |
| (i) Communication of advice, recommendations and information in the required format | | |
| (147) Present written information, in a language appropriate for the purpose of communication to the intended recipient. | Non-Core | 2 |
| (148) Communicate conclusions reached with relevant supporting computations. | Non-Core | 2 |
| (149) State and explain assumptions made or limitations in the analysis provided. | Non-Core | 2 |
| (150) Identify any inadequacies in the information required to provide a more complete analysis. | Non-Core | 2 |
| (151) Identify and explain other significant non-tax factors that should be considered when communicating tax implications/outcomes. | Non-Core | 2 |
| (ii) The time limits for the submission of information, claims and payment of tax | | |
| (152) Recognise the time limits for the filing of tax returns, including estimates of chargeable income (ECI) and the making of claims. | Non-Core | 2 |
| (153) Recognise the due dates for the payment of tax, including instalment arrangements and tax assessed on estimated chargeable income and withholding tax. | Non-Core | 2 |
| (154) List and clarify the information and records that taxpayers need to retain for tax purposes. | Non-Core | 2 |
| (iii) Penalties for non-compliance | | |
| (155) State the penalties that can be charged for non-compliance with reference to the Income Tax Act. | Non-Core | 2 |
| (156) Calculate late payment penalties on overdue income tax and withholding tax. | Non-Core | 2 |

| Learning Outcomes and Cognitive Levels | Core or Non-Core | Cognitive Level |
|---|------------------|-----------------|
| (iv) The procedures relating to enquiries, appeals and disputes | | |
| (157) Explain the circumstances in which the Comptroller can enquire into the tax affairs of taxpayers. | Non-Core | 2 |
| (158) Explain the procedures for dealing with appeals and disputes. | Non-Core | 2 |

6 Integrative Business Solutions (IB) Module

6.1 Module objectives

The Integrative Business Solutions (IB) module has been designed to allow candidates to bring together the core competencies that they have developed in the four professional modules, their practical work experience, and their professional values in a structured and practical way to develop integrative business solutions for relevant stakeholder groups.

To achieve this goal, higher-order knowledge and skills are required to assess strategic positions, business performance, and governance, as well as identify viable options, recommend appropriate plans to achieve strong organisational performance, and provide sustainable value-added solutions. Candidates are also required to critically analyse business issues and demonstrate strong analytical skills through interpreting and evaluating multidisciplinary business case studies.

No new knowledge is required for successful completion of the Integrative Business Solutions Module. The syllabus for the IB module does not include cognitive/intellectual levels in the same way as the syllabi for the technical modules, as the required non-technical learning outcomes are not described in terms of intellectual depth. However, candidates must be able to demonstrate a strong core knowledge base gained through successfully completing the four technical modules, as well as sound ethical decision-making and exemplary professionalism.

6.2 Module assessment

The IB Module is assessed through a four-hour examination with an additional 30 minutes of reading time.

The case study presented in the IB Examination will relate to a hypothetical Singapore-based company (which may have international business operations). Unlike the technical modules, for the IB Examination candidates will receive some Advance Information before the examination day and then additional information on the day of the IB Examination itself (Examination Day Documents).

Candidates will receive the Advance Information on the company and its business approximately three weeks prior to the examination day. Their task will be to familiarise themselves with this information and analyse it. For example, Candidates should analyse any numerical information that they are given about the company's financial performance and position, or about other aspects of its business or markets. In addition, Candidates will be expected to undertake further research and investigation, in order to form a holistic picture of the industry and markets in which the company is operating, and the general economic and business environment.

Candidates will receive the Examination Day Documents on the case study company on the day of the IB Examination. These Examination Day Documents will complete the case study scenario and set out the requirements about the report that Candidates will be required to write. Candidates will be given 30 minutes of reading time to look through this new material prior to the start of the IB Examination.

In the IB Examination itself, Candidates will be required to write a report based on the requirements specified in the Examination Day Documents. Candidates will need to combine their pre-reading and analysis of the Advance Information, their other pre-examination research, and the new information in the Examination Day Documents to plan the content and structure of their report, and then to write the report. Candidates will have four hours to do this, after the initial reading period of 30 minutes.

In order to be successful, Candidates will need to demonstrate technical knowledge, critical thinking skills, decision-making ability, professionalism and practical work experience to complex real-world problems.

For the IB Examination, Candidates will receive Advance Information requiring in-depth analysis and research about three weeks before the examination day and then additional information on the day of the IB Examination itself (Examination Day Documents).

The IB Examination will be fully open-book and four hours in duration, with an additional 30 minutes reading time to allow Candidates to read the new information presented in the IB Examination Day Documents and to plan the approach candidates will take to writing their report.

In order to pass the technical modules Candidates needed to demonstrate that they were technically competent. In the IB module, Candidates are required to demonstrate that they are clearly competent technically and have developed critical thinking skills. In doing this Candidates will draw on a broad knowledge base, show breadth and depth of experience, and display exemplary professional and ethical behaviour.

The range of marks and grades for the IB module are as follows:

| | |
|----------------------------|----------|
| Pass with High Distinction | 86%–100% |
| Pass with Distinction | 75%–85% |
| Pass with Merit | 65%–74% |
| Pass | 50%–64% |
| Fail | < 50% |

How the grades are awarded in relation to the IB Examination is summarised on the following pages, using the legend below.

| | |
|--------------------------|--|
| Comprehensive | Highly skilled and professionally mature, with demonstrable expertise in providing integrative business solutions, indicative of a Chartered Accountant of Singapore with three to five years working experience in an accounting advisory role or similar |
| Clearly competent | Highly skilled and professionally mature, with a clear ability to provide integrative business solutions as a Chartered Accountant of Singapore |
| Competent | Sufficiently skilled and exhibits professional maturity, with the ability to provide integrative business solutions as a Chartered Accountant of Singapore |

IB Examination assessment rubric – Individual assessment (Summarised)

| Attribute | High Distinction 86%–100% | Distinction 75%–85% | Merit 65%–74% | Pass 50%–64% | Fail – Technically Competent only 40%–49% | Fail – Inadequate Below 40% |
|--|------------------------------|--|--|--|---|--------------------------------|
| Overall quality of the report | Comprehensive | ← Clearly competent → | Competent | Limited responses | Vague or generic | |
| Evidenced by | | | | | | |
| Synthesis of data | Exceptional | Elevated | Clearly competent | Competent | Insufficiently competent | Weak |
| Problem-solving | Exceptional | Elevated | Clearly competent | Competent | Insufficiently competent | Weak |
| Technical knowledge | Exceptional | ← Elevated → | Clearly competent | Competent | Competent | Weak |
| Thinking | | ← Critical thinker → | | | ← Process driven → | |
| Accuracy | Error free | ← Highly accurate → | Mostly accurate with no major errors | Some inaccuracies but no major errors | Numerous inaccuracies and/or major errors | |
| Identification of ethical issues | Comprehensive | Thorough | Clearly competent | Competent | Insufficiently competent | Weak, limited responses |
| Decision-making | | ← Sound judgment and highly ethical decision-making ability → | | Some minor lapses in judgment | Questionable judgment | |
| Organisation, style, and delivery | | ← Logical flow → ← Clear and concise → ← Content well-structured → ← Legibly written, to effectively explain ideas → ← Appropriate professional language and tone → ← Sensitive to cultural differences → | | | Poorly articulated or inappropriate professional language or insensitive to cultural differences | |
| Individual requirements of the IB Examination Paper | Comprehensive | Clearly competent in all four requirements in the IB Examination | Clearly competent in at least three requirements in the IB Examination | Competent | Limited responses | Vague or generic |

6.3 Module at a glance

The learning outcomes for the Integrative Business Solutions Module are grouped into the following six main categories:

- (A) Business awareness and strategic analysis
- (B) Critical thinking, analysis and problem solving
- (C) Ethics and professionalism
- (D) Recommending business solutions
- (E) Managing self
- (F) Business communication

6.4 Integrative Business Solutions learning outcomes

The full list of learning outcomes for the Integrative Business Solutions Module are as follows:

| Learning Outcomes | |
|-------------------|---|
| (A) | BUSINESS AWARENESS AND STRATEGIC ANALYSIS |
| (1) | Identify business strategies relevant to the goals and objectives of an organisation in a globalised world with emphasis on the Asian business environment. |
| (2) | Identify and explain performance benchmarks to measure success. |
| (3) | Demonstrate broad commercial awareness and professional judgement when evaluating a business. |
| (4) | Describe the impact of the changing business environment, including globalisation and market forces on a business strategy. |
| (5) | Describe the role and mechanisms of change management in the business environment. |
| (6) | Evaluate business strategies in conjunction with organisational and environmental opportunities/ constraints, and ensure their correlation with the organisations performance matrix. |
| (7) | Analyse the strategic position of an organisation taking into account: <ul style="list-style-type: none"> • Environmental factors; • Internal resources, capabilities, and competences; • Competitive forces and competitive advantage; • Strategic market position; • Opportunities and risks; • Tax position and exposures; • Conflicting stakeholder needs and expectations; • Corporate social responsibility and sustainability; • Influences of culture; • Governance and the ethical climate; • Laws and regulation; and • Information and communication technologies. |

Learning Outcomes**(B) CRITICAL THINKING, ANALYSIS, AND PROBLEM SOLVING**

- (8) Identify, research, and organise data from a variety of sources and perspectives, including data from unstructured and/or interdisciplinary sources.
- (9) Interpret, analyse and evaluate information and evidence to determine its strength, quality, and veracity.
- (10) Apply a strategic, critical, and sceptical thinking approach to organisational challenges and the evaluation of stakeholder perspectives and information.
- (11) Identify challenges when using unstructured, interdisciplinary or third-party information.
- (12) Identify and explain the utilisation of strategic information from various sources, including information systems, relevant to business.
- (13) Assess the costs, benefit and implications of new and emerging developments in technology relevant to the business.
- (14) Apply appropriate problem-solving techniques.

(C) ETHICS AND PROFESSIONALISM

- (15) Demonstrate ability to identify and evaluate ethical threat(s) using an ethical framework.
- (16) Demonstrate the application of fundamental principles (integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) to business activities, professional judgment and policy formulation.
- (17) Apply the concepts of ethics, independence, professional scepticism, accountability, public interest and expectations to assess financial information and other data relevant to the role of a Chartered Accountant of Singapore.
- (18) Apply ethical principles when accessing, storing, generating, using and sharing data and information.

(D) RECOMMENDING BUSINESS SOLUTIONS

- (19) Formulate strategies and evaluate proposed investment decisions in a domestic or multinational environment, taking into account all available qualitative and quantitative data. The outcomes of which may include:
- Strategy formulation, development and implementation;
 - Financial decision-making to formulate and support a business strategy;
 - Valuation of acquisitions and investments;
 - Effective funds management strategies, including tax positions;
 - Identification of the costs, benefits and financial implications of strategic alternatives;
 - Application of the COSO Enterprise Risk Management (ERM) framework;
 - Use of information technology, and
 - Identification and appraising ethical threats.
- (20) Propose sustainable value-added options with carefully applied professional skepticism through the application of financial management, performance management, enterprise risk management strategies and ethical framework application to craft an appropriate solution.

Learning Outcomes**(E) MANAGING SELF**

- (21) Demonstrate personal effectiveness in a changing work environment by displaying the following attitudes and behaviours:
- Tolerating ambiguity;
 - Being open to new ideas;
 - Staying focused on outcomes;
 - Being flexible in new/different scenarios
 - Adapting and responding positively to challenges;
 - Critical, analytical, and creative thinking;
 - Apply professional scepticism; and
 - Taking responsibility for life-long learning.
- (22) Demonstrate the importance of cooperation, multi-disciplinary approach, collaboration, and teamwork to work towards solutions and to achieve organisational goals.
- (23) Demonstrate an awareness of personal and organisational bias and limitations.

(F) BUSINESS COMMUNICATION

- (24) Demonstrate business etiquette by communicating in a professional manner and respecting the other person's point of view.
- (25) Exercise clear and concise communication skills when presenting, discussing, and reporting through formal written report.
- (26) Show sensitivity to cultural, societal, language differences in all forms of business communication.
- (27) Apply negotiation and consultative skills to minimise or resolve conflict to reach solutions and agreements.

D Appendix – Common examination verbs used by the Singapore CA Qualification Examiners

As a Professional Accountant, you must be able to communicate clearly, concisely and professionally in order to work effectively with others.

Apart from testing your technical ability, the Singapore CA Qualification examinations are also assessing your communication skills, particularly your ability to frame your answers using language that is clear to a layperson. Obviously, when marking the answer scripts, markers are looking for accurate answers that are focused on the question asked, but they are also looking for answers that convey information in a way that others can easily understand and that show a deep appreciation for any ethical and professional issues posed.

The following list of commonly-used examination verbs ('action' words) will help you identify what the Examiner expects from your answer and how you can maximise your marks. You will see that some of these verbs are quite similar and some are even interchangeable. The irony is that most questions in an examination paper will not contain a question mark, so you have to be able to determine what the Examiner wants by picking out the verb in the instruction.

| Verb | Description |
|-------------------------------------|---|
| Account (for) / Bring to account | Account requires you to show how to record an element in the financial statements appropriately. This might be by means of a journal entry, T-account, or an extract from the financial statements. Remember, a journal or a T-account is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. Bring to account requires you to include all components, say itemise all revenue that should be recognised for income tax purposes. |
| Advise / Give advice | As a Professional Accountant, your work will invariably require you to form an opinion about the most appropriate course of action, or offer alternative courses of action depending upon the situation. This type of question requires you to give specific guidance to an individual or a group (eg a taxpayer, audit client, management, etc), so your answer must provide specific information or make a recommendation tailored to the individual or group and justify your position. |
| Analyse | Identify the key components, look for similarities and differences, look for patterns or outliers and weigh up the issues. If there is numerical data, you might need to provide a range of answers depending on how you substitute the data into your model. Make sure you state any implications of your answer and any assumptions that you make. |
| Apply | This instruction requires you to relate your answer back to a specific document/s or set of facts. Alternatively, you may be required to use a specific formula, model, or process. For instance, ' Apply the relevant Singapore Financial Accounting Standard to ...'. Another example would be ' Apply the three-year and two-year concessional rules for determining tax residence'. Apply and with reference to are similar. |

| Verb | Description |
|-----------------------------|--|
| Appraise | Make a judgment about the value, quality, outcomes, results or size. Often there will be a qualifier in the instruction, which will tell you exactly what to appraise. For instance, ' Appraise Company X's <u>credit worthiness</u> ...'. Professional judgment and scepticism (a questioning mind) are called for when making an appraisal . Appraise and assess are interchangeable. |
| Arrange | Put into the correct order or sequence. Sometimes arrange will require you to make a judgment about which items or factors should be given priority or the order of importance (rank or prioritise). For instance, when considering the severity and/or frequency of risks, it is possible to prioritise (or rank) the risks according to whether they have a low, medium, or high probability of occurring and appropriate resources can be deployed efficiently. |
| Assess | Make a judgment about the value, quality, outcomes, results or size. Often there will be a qualifier in the instruction, which will tell you exactly what to assess . For instance, ' Assess the <u>adequacy</u> of the disclosures in the financial statements relating to ...'. Professional judgment and scepticism (a questioning mind) are called for when making an assessment . Appraise and assess are interchangeable. |
| Bullet points | Unless specifically asked for, <u>only</u> use bullet points in your answer as an <u>absolute last resort</u> if you are running out of time. A quarter of a mark is better than zero. |
| Calculate / Compute | Do the number crunching and derive the correct answer. Make sure that you write down your workings and crosscheck your numbers. Candidates often underperform because of careless mistakes. |
| Comment | Comment is similar to evaluate in that you are required to make a judgment or provide your opinion based on the facts at hand. Professional judgment and scepticism (a questioning mind) are called for when commenting . |
| Compare and Contrast | Compare requires you to show how things are similar and/or different while contrast requires you to show how things are different or opposite. Even if you are asked just to compare , you must indicate both the similarities and differences. |
| Conclude / Draw conclusions | Form a judgment, or determine the outcome, or resolve an issue, by using the facts presented. An example might be 'Conclude whether to outsource the human resource function'. |

| Verb | Description |
|---------------------------------|--|
| Critically (analyse / evaluate) | <p>'Critically' requires that your answer be more extensive than if you were asked to analyse or evaluate the data. Your answer must add a greater degree or level of accuracy, depth, knowledge, understanding, logic, questioning, reflection and quality to your analysis or evaluation. Remember, critically requires you to consider both the positive and negative points and apply professional scepticism (a questioning mind) in conjunction with professional judgment. Often when an examiner asks you to critically evaluate or analyse something it is because there can be more than one right answer, so you have to convincingly defend your opinion as part of your answer.</p> |
| Defend | <p>Whenever you see the word defend you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to justify your answer, you will lose valuable marks. For example, 'Defend your advice.'</p> |
| Define | <p>Like list, you are unlikely to be asked just to define a term, particularly in a professional accounting-related examination, unless it is a term that requires you to communicate your understanding rather than copying down someone else's definition or rote learning. For instance, 'Define in your own words ...'.</p> |
| Demonstrate | <p>Demonstrate requires you to prove or disprove something beyond any doubt, or show that it applies in the situation described by giving evidence (for instance, provide an example). The evidence can be from the facts given or from your general knowledge and experience. Demonstrate and illustrate are similar.</p> |
| Describe | <p>Describe requires you to provide the characteristics and features of an item or situation. For instance, 'Describe the audit procedures to verify ...' requires you to state the specific audit procedure/s that you would use without going into step-by-step detail of how to perform that procedure.</p> |
| Detail | <p>Detail requires you to give very specific instructions or advice. For instance, 'Detail the audit procedures to verify ...' requires you to provide step-by-step instructions. Another example is 'Detail how the findings from the site visit will affect the planning of the statutory audit'. This instruction requires you to state the positive and negative consequences in relation to the site visit and the planning of the audit. Don't forget to think about the future and the past, not just the present when stating the consequences.</p> |
| Determine | <p>Ascertain or conclude after analysis and evaluation the most appropriate course of action or most correct answer from a range of viable alternatives.</p> |
| Diagram | <p>Draw a diagram requires you to convey your answer primarily via a picture (X&Y graph, flow chart, timeline, Venn, ranking pyramid, lifecycle, process, decision tree, etc). While draw a diagram usually does not require any narrative (unless specifically asked for), don't forget to label each part.</p> |

| Verb | Description |
|-------------|--|
| Discuss | <p>Discuss requires you to provide the 'for' and 'against' arguments, you cannot have a discussion without opposing views otherwise it would be just a conversation. If discuss is placed near the front of the instruction, then it requires you to provide an answer that is similar to explain, but addresses both the for and against arguments. For instance, 'Discuss why numerical valuation is essential when buying or selling a small business'. However, if there is a statement and discuss is placed at the end, your answer <u>must be</u> in the form of an <u>essay</u> with the following elements:</p> <ul style="list-style-type: none"> • An introduction, which declares whether you agree, disagree, partly agree, or partly disagree with the statement; • The body of your answer, stating: (i) Why it is possible to agree <u>and</u> (ii) why it is possible to disagree with the statement. You should provide examples to support both points of view; and • A conclusion that proves your original position. <p>An example of a discuss question that requires an essay style answer would be 'Numerical valuation is not essential when buying or selling a small business because the actual selling price is the outcome of negotiation. Discuss'.</p> |
| Distinguish | <p>To note differences between. For instance, 'Describe what is meant by the term tax planning and distinguish it from tax evasion'. Apart from describing what tax planning involves (say 1–2 marks), you need to explain how the two terms are different and how they are similar. However, providing a list of differences and similarities is insufficient – complete sentences are essential to achieve full marks. In addition, it is important that you also mention any other relevant factors (eg the ethical and legal issues).</p> |
| Evaluate | <p>Pass judgment on or provide your opinion based on the facts at hand. When making an evaluation, there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a description of the facts is insufficient. Professional judgment and scepticism (a questioning mind) are called for when making an evaluation. Examine and evaluate are interchangeable.</p> |
| Examine | <p>Pass judgment on or provide your opinion based on the facts at hand. When examining the facts given, there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a description of the facts is insufficient. Professional judgment and scepticism (a questioning mind) are called for when making an evaluation. Examine and evaluate are interchangeable.</p> |

| Verb | Description |
|----------------------------|---|
| Explain | <p>As a Professional Accountant, you will be frequently called upon in your work to explain difficult concepts and technical issues to people who are not accounting trained. This is where your ability to share your knowledge using simple everyday terms will be most needed.</p> <p>Explain requires you to write at least several sentences conveying how you have analysed the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand. For instance, 'Explain whether an 'emphasis of matter' paragraph or an 'other matter' paragraph would be most appropriate in this situation', or 'Explain how a partnership is assessed for tax'. Evaluate and examine are interchangeable.</p> |
| Identify | <p>Identify is similar to list, but requires you to also provide an explanation as to why the item/s that you have identified is/are relevant to the facts given in the question.</p> <p>Often identify will require you to select a specific issue or issues, but not all issues, so you need to look out for any qualifying words. For instance, 'Identify the <u>Board Matters</u> ...' is asking you to focus solely on issues that relate to Board Matters from the Singapore <i>Code of Corporate Governance</i>, so if you digress and identify remuneration issues, you will not score well. Another example is 'Identify the companies that qualify as members of a group for the purposes of group tax relief'. In order to score well in this second example, you need to identify the companies and state why they are included in the group. You also need to state if a company is not included and why.</p> |
| Illustrate / Give examples | <p>Illustrate requires you to provide an example, either from the facts given, a real-life example, or a made-up example to illustrate the point you are trying to make. Illustrate and demonstrate have similarities.</p> |
| In accordance with | <p>This instruction requires you to relate your answer back to a specific document. Failure to make specific mention of the document in your answer will result in a loss of marks.</p> |
| Interpret | <p>Look at the whole as well as the individual parts and decide what the data (or diagram) is telling you. Remember, although interpret may involve some subjective assessment, some answers will be <u>more right</u> (or appropriate) than others.</p> |
| Justify | <p>Whenever you see the word justify you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to justify your answer, you will lose valuable marks. Justify is similar to defend.</p> |
| List | <p>Prepare an itemised list. Although you are unlikely to be asked just for a list of items, it is important to remember that many of the common verbs used by examiners require you to begin with a mental list of issues to consider.</p> |

| Verb | Description |
|---------------------|--|
| Outline | Outline requires you to provide a general overview of the situation and indicate the main features. Outline is used when the question is worth only a couple of marks, but a single sentence is usually never enough to achieve full marks. |
| Plan | Prepare a detailed proposal. For instance, in an assurance engagement, you may be asked to ' Plan a review of historical information'. |
| Predict | Suggest what may happen based on the available information. Remember, although predicting involves uncertainty, some answers will be <u>more right</u> (or appropriate) than others. |
| Prepare | Prepare requires you to produce your answer using a specific format. For instance, ' Prepare the Statement of Cash Flows for ...' or ' Prepare all the relevant journal entries for ...'. Remember, a journal entry is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. Record and prepare have similarities. |
| Prioritise | Make a judgment about which items or factors should be given priority based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. Rank and prioritise are interchangeable, and both terms have similarities with arrange . |
| Produce | Produce requires you to present your answer in a specific format from scratch. For instance, you may be required to ' Produce a Profit or Loss Statement'. |
| Propose/ Provide | Put forward (for example, a point of view, idea, argument, alternatives, etc) for consideration or action. For instance, 'Based on the facts of the case, propose the most tax-effective entity type ...', or ' Propose audit adjusting entries to correct ...'. |
| Prove | Prove requires you to establish that something is true by citing evidence or giving clear logical reasons. When you reconcile the bank account in the general ledger you are proving that the account balance is correct. |
| Quantify | Provide a <u>numerical value</u> (an exact calculation) or a <u>range of values</u> (upper/lower limits, average, likely values, etc). For instance, ' Quantify the misstatement in the 'investment in subsidiary' in the Statement of Financial Position' or 'Quantify the adverse direct materials variance cost'. As with calculate and compute , you should always show your workings and crosscheck your numbers. |

| Verb | Description |
|----------------------------|---|
| Rank | Make a judgment about which items or factors should be given priority based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. Rank and prioritise are interchangeable, and both terms have similarities with arrange . |
| Record | Record is similar to prepare in that you may need to perform a calculation and show the specific components in an appropriate format. For instance, ' Record the closing entries to transfer profit (or loss) to retained earnings'. Record and prepare have similarities. |
| Recognise | Recognise requires you to distinguish between various components and to be able to state how each component should be treated. For instance, '... and indicate if the gain/loss is recognised as profit or loss or other comprehensive income'. Identify and recognise have similarities. |
| Recommend | Make a statement about the most appropriate course of action. If there is more than one possible course of action, state which action you would choose and why (justify your choice). Your professional judgment and your ability to interpret the wider situation are critical to scoring well in these types of questions. Don't forget to think about the future and the past, not just the present when making a recommendation . |
| Reconcile / Reconciliation | Prove that the balance of an account is correct. For instance, ' Using the data given, prepare a bank reconciliation ' requires you to prove that the bank balance in the general ledger corresponds with the balance shown on the bank statement, listing down the timing differences (eg unpresented cheques) and errors (if any). Note here the term <u>bank reconciliation</u> , as this acts as a <u>qualifier</u> to indicate the format that you should use to present your answer. |
| Respond / Reply | This is your right of reply . When you are asked to respond , it is usually in reply to a comment made by someone else (although you can also be asked how you would respond in a particular situation). For instance, ' Respond to the Chairperson regarding her comment on impairment'. Whenever you are asked to respond , you must always justify your opinion or the actions you would take. |
| State | State is similar to list, but the items require your professional judgement. For instance, ' State any restrictions that apply'. One of the easiest ways to make sure that you state comprehensively is to think, ' list and justify '. You will note that state appears in many of the verb descriptions given. |
| Summarise | Provide a concise description. Summarise is similar to describe , but in a condensed format. |

| Verb | Description |
|-------------------|---|
| To what extent | This instruction requires you to advance arguments in favour of a position or point of view and respond to or take into consideration the opposing arguments or points of view. You must always justify your answer. |
| Translate | For the purposes of Singapore CA Qualification examinations, translate refers to the conversion of monetary values from one currency into another currency (although translate can refer to spoken and written language as well). |
| Use / Using | This instruction tells you the type of model that you must use when formulating your answer. For instance, ' Using the <u>Discounted Cash Flow approach</u> , ...' tells you what valuation approach to use. Another common phrase is ' Using the facts of the case, ...', which tells you that you must relate your answer to the specific facts given in the question scenario. Generic answers will not pass. |
| With reference to | This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, ' With reference to relevant Singapore Financial Reporting Standards, explain the risk of material misstatements relating to ...'. In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier (with reference to 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks. |

End of Syllabus Handbook