

## Syllabus Outline Advanced Financial Accounting

### NQF Level 6

#### Prescribed texts:

**Introduction to Financial Accounting, latest edition: Author: Dempsey et al. Publisher: Lexis Nexis Butterworths (IFA)<sup>1</sup>  
Gripping GAAP 2019: Author: Sowden-Service. Publisher: Lexis Nexis (GG)**

Disclaimer: Please note the following:

- A prescribed textbook may not necessarily cover every aspect of a syllabus. The Institute examines the syllabus and any omissions should be researched personally or be provided by your tuition provider.
- ISBN numbers may have changed since the publication of this list. Our policy is that you should always use the latest edition of the textbook.
- Many publishers are no longer publishing hard copies and have switched to e-books.
- Some modules require prescribed readings which can be downloaded for personal use from the internet or the CSSA student portal.

The overall aim of the module is to demonstrate a thorough knowledge of financial accounting principles and their applications, and a basic knowledge of corporate financial accounting

Syllabus topics	Syllabus detailed content	Textbook
<b>Learning Outcome 1: Understand the basics of Financial Accounting</b>		
Framework for the preparation and presentation of financial statements (IASB Framework; IAS1)	Users and their information needs Objective of financial statements Qualitative characteristics of financial statements	GG 2-3
<b>Learning Outcome 2: Prepare financial statements for limited companies</b>		
Preparation of financial statements for management and publication in compliance with statutory requirements: (Companies Act, Statements of Generally Accepted Accounting Practice [GAAP])	IAS 1 Presentation of Financial Statements	GG 3
	IAS 2 Inventories	GG 13
	IAS 8 Accounting policies, changes in accounting estimates and errors	GG 26
	IAS 10 Events after the balance sheet date	GG 18
	IAS 16 Property, plant and equipment (excluding revaluations)	GG 7-8
	IAS 18 Revenue	GG 4
	IAS 33 Earnings per share (excluding rights issues, not at fair value, conversion rights, diluted earnings per share)	GG 23
	IAS 37 Provisions and contingencies	GG 18
<b>Learning Outcome 3: Prepare financial statements for close corporations</b>		
Preparation of financial statements for management and publication in compliance with statutory requirements: (Companies Act, Close Corporations Act, Statements of Generally Accepted Accounting Practice [GAAP])	<ul style="list-style-type: none"> <li>• Statement of financial position; Statement of profit or loss; Statement of changes in equity</li> <li>• Elementary cash flow statements including capital introduced, drawings, non-cash items, profit, loans raised and repaid, working capital, purchase and disposal of non-current assets, direct and indirect methods</li> </ul>	IFA Ch 15-18

<sup>1</sup> Also prescribed for Introduction to Financial Accounting

## Syllabus Outline Advanced Financial Accounting

<b>Learning Outcome 4:</b> Draft cash flow statements for management and other stakeholders.		
Cash flow statements.	Preparation of cash flow statements using the direct and indirect methods Interpretation of cash flow statements for management and other stakeholders	GG 27
<b>Learning Outcome 5:</b> Demonstrate how tax is treated in financial statements.		
Taxation	Elementary treatment of taxation (excluding deferred taxation) in financial statements	GG 5
<b>Learning Outcome 6:</b> Prepare group financial statements for wholly and partially owned subsidiary companies.		
Group financial statements	IAS 27 consolidated financial statements Definition of a subsidiary (Companies Act S1, 3) Preparation of group financial statements for wholly owned and partly owned subsidiary companies (basic principles only) Purchase of shares in subsidiary at financial year end during financial year Revaluation of non-current assets at acquisition subsequent to acquisition Inter-company transactions including Sale of non-current assets at carrying value and sales of inventory at cost	GS 1-8
<b>Learning Outcome 7:</b> Understand how financial statements can be used to make decisions.		
Ratio analysis	Use of ratios for financial statement analysis Calculation of the following ratios Liquidity Profitability Activity Investment Earnings and dividend per share Interpretation of ratios for management and other stakeholders	GG 28 IFA 21
<b>Learning outcome 8:</b> Prepare cash budgets and forecasts for decision-making		
Budgets Decision making	Preparation of cash budgets and forecasts Short and long-term decision-making and planning	IFA Ch 20
<b>Practical work</b>		
Prepare group financial statements for wholly and partially owned subsidiary companies.		
Interpret ratios for management and other stakeholders. Range: Earnings per share (including headline earnings per share), earnings yield, price/earnings ratio, dividend yield, net asset value, profitability ratios, solvency ratios and activity ratios; vertical and horizontal analyses; cash flow statements.		
Prepare cash budgets and forecasts.		

### Online resources:

Ratio analysis: [https://youtu.be/Byr\\_FcqS\\_1o](https://youtu.be/Byr_FcqS_1o)

Cash budgets: <https://youtu.be/bZpptomP5rQ>

IAS 27 consolidated financial statements: <https://www.youtube.com/watch?v=-20yjn41fok>

Syllabus Outline Advanced Financial Accounting