

CPA Licensure Examination Syllabus

Financial Accounting and Reporting

Effective May 2016 Examination

This subject covers the candidates' ability to demonstrate understanding and application of accounting principles and standards relating to: nature and composition of accounts; initial recognition; measurement and valuation, subsequent events and transactions; subsequent measurement and recognition of losses due to impairment and other causes; related party transactions, financial statement presentation and disclosures.

The candidates must have a working knowledge in the application of the various financial accounting and reporting standards relating to the above.

The candidates must also be able to communicate effectively matters pertaining to the financial accounting work that will be handled.

The knowledge of the candidates in the competencies cited above is that of an entry level accountant who can address the fundamental requirements of the various parties that the candidates will be interacting professionally in the future.

Only new standards and other issuances shall be included in the examinations if these are in effect for at least six (6) months at the date of the examination.

The examination shall have seventy (70) multiple choice questions.

The syllabus for the subject is presented below.

- 1.0 Development of Financial Reporting Framework and Standard-Setting Bodies, Regulation of the Accountancy Profession**
- 2.0 Accounting Process**
 - 2.1 Adjusting Entries
 - 2.2 Accounting Cycle
- 3.0 Conceptual Framework**
 - 3.1 Basic Objectives of Financial Statements
 - 3.2 Qualitative Characteristics of Financial Statements
 - 3.3 Elements of Financial Statements
 - 3.4 Financial Capital and Physical Capital
- 4.0 Presentation of Financial Statements (IAS 1, IAS 8, IAS 10, IAS 7, IFRS 5, IAS 33, IAS 18 / IFRS 15)**
 - 4.1 Statement of Financial Position
 - 4.2 Statement of Comprehensive Income
 - 4.3 Statement of Cash Flows
 - 4.4 Statement of Changes in Equity
 - 4.5 Notes to the Financial Statements
- 5.0 Assets**
 - 5.1 Financial Assets (IAS 7, IAS 32 & IAS 39 / IFRS 9, IFRS 7, IAS 28)
 - 5.1.1 Cash & Cash Equivalents

- 5.1.2 Loans and Receivables (Financial Assets at Amortized Cost)
- 5.1.3 Investments in Debt Instruments
 - 5.1.3.1 Financial Assets at Fair Value through Profit or Loss (Except Derivatives)
 - 5.1.3.2 Financial Assets at Fair Value through Other Comprehensive Income
 - 5.1.3.3 Financial Assets at Amortized Cost
- 5.1.4 Investments in Associates (equity method of accounting)
- 5.1.5 Basic Derivatives (excluding Hedge Accounting)
 - 5.1.5.1 Forwards
 - 5.1.5.2 Futures
 - 5.1.5.3 Interest Rate Swap
 - 5.1.5.4 Call and Put Options
- 5.2 Non-Financial Assets (IAS 16, IAS 38, IAS 40, IAS 23, IAS 41, IAS 36, IAS 38, IFRS 5, IFRS 6)
 - 5.2.1 Inventories
 - 5.2.1.1 Cost, Lower of cost or Net realizable value
 - 5.2.1.2 Estimating procedures
 - 5.2.2 Property, Plant and Equipment
 - 5.2.2.1 Nature
 - 5.2.2.2 Recognition principle
 - 5.2.2.3 Initial recognition basis
 - 5.2.2.4 Depreciation methods
 - 5.2.2.5 Impairment
 - 5.2.3 Investment Property
 - 5.2.3.1 Nature and measurement principle
 - 5.2.4 Intangibles
 - 5.2.4.1 Nature and recognition principle
 - 5.2.4.2 Research and development expenditures
 - 5.2.4.3 Subsequent expenditures
 - 5.2.4.4 Amortization
 - 5.2.5 Biological Assets
 - 5.2.5.1 Nature and recognition principle
 - 5.2.5.2 After initial recognition
 - 5.2.6 Non-Current Assets Held For Sale
 - 5.2.6.1 Classification criteria
 - 5.2.6.2 Initial and subsequent measurement principles

6.0 Liabilities (IFRIC 1, IAS 32, IAS 39/ IFRS 9, IFRS 7, IAS 37)

- 6.1 Financial Liabilities
 - 6.1.1 Accounts Payable and Other Trade Payables
 - 6.1.1.1 Initial recognition
 - 6.1.1.2 Subsequent measurement
 - 6.1.2 Debt Restructuring
 - 6.1.2.1 Nature and forms
 - 6.1.2.2 Principles of derecognition
- 6.2 Non-Financial Liabilities
 - 6.2.1 Premiums and warranties
 - 6.2.2 Unearned revenues for gift certificates and subscriptions
- 6.3 Provisions and Contingencies
 - 6.3.1 Recognition and measurement criteria

7.0 Equity

- 7.1 Share Capital Transactions (IAS 32, IFRS 7)

- 7.1.1 Share Capital (nature, recognition, and measurement)
- 7.1.2 Issuance and retirement of preference and ordinary shares
- 7.1.3 Share split, treasury shares and other equity transactions
- 7.1.4 Recapitalization and quasi-reorganization
- 7.2 Dividends (IFRIC 17)
- 7.3 Retained Earnings
- 7.4 Other Comprehensive Income
- 7.5 Book Value per share and Earnings per Share
- 7.6 Share-based payments (IFRS 2)

8.0 Other Topics

- 8.1 Borrowing Costs (IAS 23)
 - 8.1.1 Nature
 - 8.1.2 Criteria for capitalizing borrowing costs
- 8.2 Leases (IAS 17)
 - 8.2.1 Operating lease
 - 8.2.2 Finance lease
- 8.3 Income Tax (IAS 12)
 - 8.3.1 Accounting profit
 - 8.3.2 Taxable profit
- 8.4 Employee Benefits (IAS 19)
 - 8.4.1 Defined benefit plan
 - 8.4.2 Defined benefit liability (asset)

9.0 Interim Reporting (IAS 34)

- 9.1 Purpose
- 9.2 Principles for Recognition

10.0 IFRS for Small and Medium Sized Entities

- 10.1 Reporting requirements
- 10.2 Peculiarities
- 10.3 Principles for reporting investments in equity and debt securities

11.0 Cash to Accrual

- 11.1 Purpose
- 11.2 Single-entry computation of profit
- 11.3 Reconciling profit using the transaction approach
- 11.4 Convert cash basis revenues and expenses to accrual basis revenues and expenses