Accountant in Business (FAB/F1) December 2011

This syllabus and study guide is designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers. These links are shown as solid line arrows. The links between papers where there is only an indirect link and no required underpinning are shown as dotted line arrows. The relational diagram therefore indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper.

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.
Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session.
The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes are described using verbs indicating what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

Learning Materials

ACCA's Approved Learning Partner - content (ALP-c) is the programme through which ACCA approves learning materials from high quality content providers designed to support study towards ACCA's qualifications.

ACCA has one Platinum Approved Learning Partner content which is BPP Learning Media. In addition, there are a number of Gold Approved Learning Partners - content.

For information about ACCA's
Approved Learning Partners - content, please go ACCA's Content Provider Directory.

The Directory also lists materials by Subscribers, these materials have not been quality assured by ACCA but they may be useful reading. You will also find details here of Additional Reading which the

Examiner has suggested may be useful supplementary reading for students.

ACCA's Content Provider Directory can be found here – http://www.accaglobal.com/learningproviders/alpc/content_provider_directory/search/.

Relevant articles will also be published in Student Accountant.

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels on their way through each qualification. These relate to intellectual levels as designated by the UK qualifications and credit framework (QCF) and other qualifications frameworks. As a benchmark, these levels progress from GCSE equivalent at the Introductory level of the Foundations in Accountancy (FIA) programme, to A level, or its equivalent, at the Intermediate level and to first year degree level at the Advanced level. The Advanced Diploma (the Skills module plus professional Ethics Module) within the ACCA Qualification is equivalent to undergraduate degree level and the Professional level is benchmarked at Masters level.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^{K} and the assessment of skills is denoted by the superscript$^{S.}$

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS

For the FIA syllabuses the approximate number of standard learning hours that a candidate needs to commit to each examination is based on the credit value of the Qualifications and Credit Framework (QCF) UK, units which make up the syllabus. For FAB, Foundations of Accounting and Business, the total learning hours or credit value of the syllabus is 18 credits or 180 hours which includes direct tuition time, self study, revision and assessment time.
For QCF registered learners in England, Wales and Northern Ireland, passing the exam related to the above syllabus gives credit for the following QCF units:

- Work effectively in accounting and finance
- Principles of internal control
- Evaluating accounting systems
- Professional ethics in accounting and finance
- Professional values and basic business legislation
- Business environment, structure and governance
- Leadership, management and communication

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.
The FIA examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.
All FIA examinations are assessed by two-hour paper based and computer based examinations.
The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For the financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

Examinations regulation ***issued*** or legislation ***passed*** on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. Please refer to the examinable documents for the paper (where relevant) for further information.

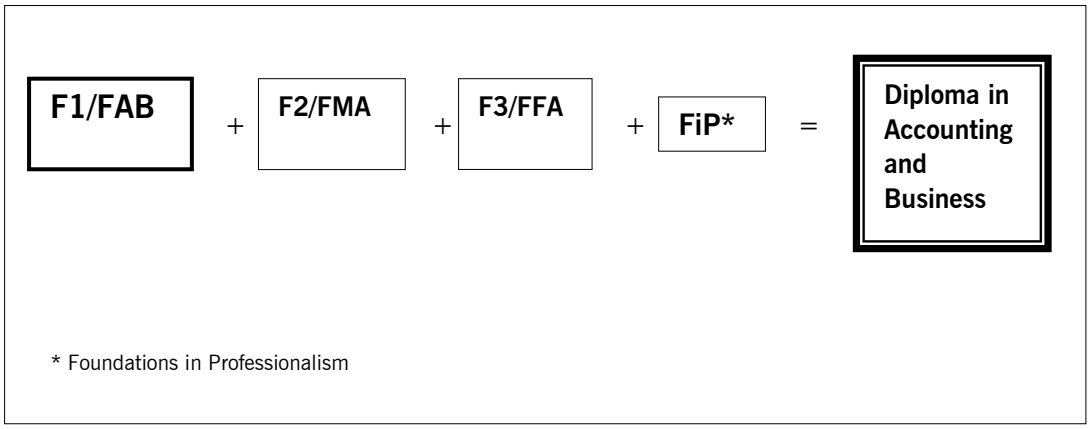
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the ***effective*** date is in the future. The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

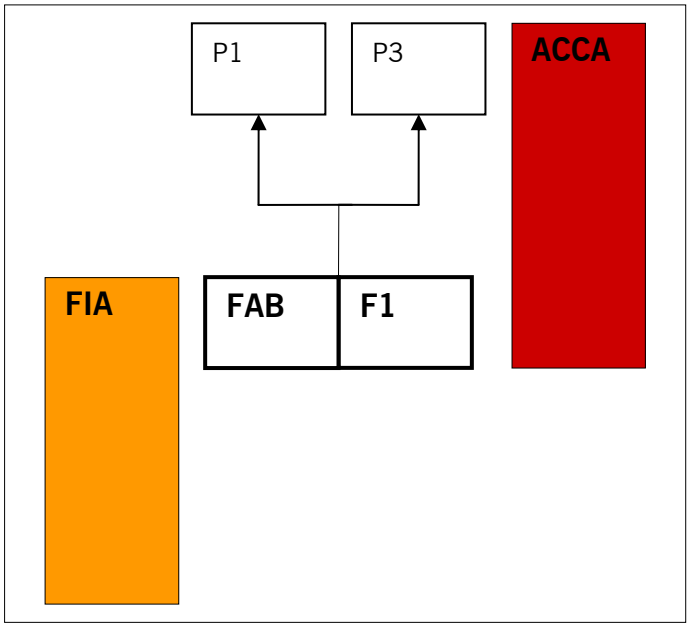
Qualification structure

The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The FIA suite of qualifications is designed so that a student can progress through three discrete levels; Introductory, Intermediate and Advanced, However, entry is possible at any point. Students are recommended to enter FIA at the level which is most appropriate to their needs and abilities and to take examinations in order, but this is not a requirement.



Syllabus

AIM

To introduce knowledge and understanding of the business and its environment and the influence this has on how organisations are structured and on the role of the accounting and other key business functions in contributing to the efficient, effective and ethical management and development of an organisation and its people and systems.

RATIONALE

The syllabus for FAB/F1*, Foundations of Accounting in Business* introduces students who may not have a business background, to the business, which as an entity is made up of people and systems which interact with the environment and with each other. The syllabus begins with examining the purpose and types of business which exist, the key stakeholders and the rights and responsibilities that businesses have in connection with them, exploring the external influences that affect the business in its environment, including economic, legal, social and technological factors. The syllabus then examines the structure and functions of business, focusing on corporate governance and the specific accounting related roles in this process, particularly in financial reporting, assurance, control and compliance. The syllabus then introduces key leadership, management and people issues such as effective individual and team behaviour, motivation and personal effectiveness.

The final section of the syllabus examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

A Understand the purpose and types of businesses and how they interact with key stakeholders and the external environment.

B Understand business organisation structure, functions and the role of corporate governance

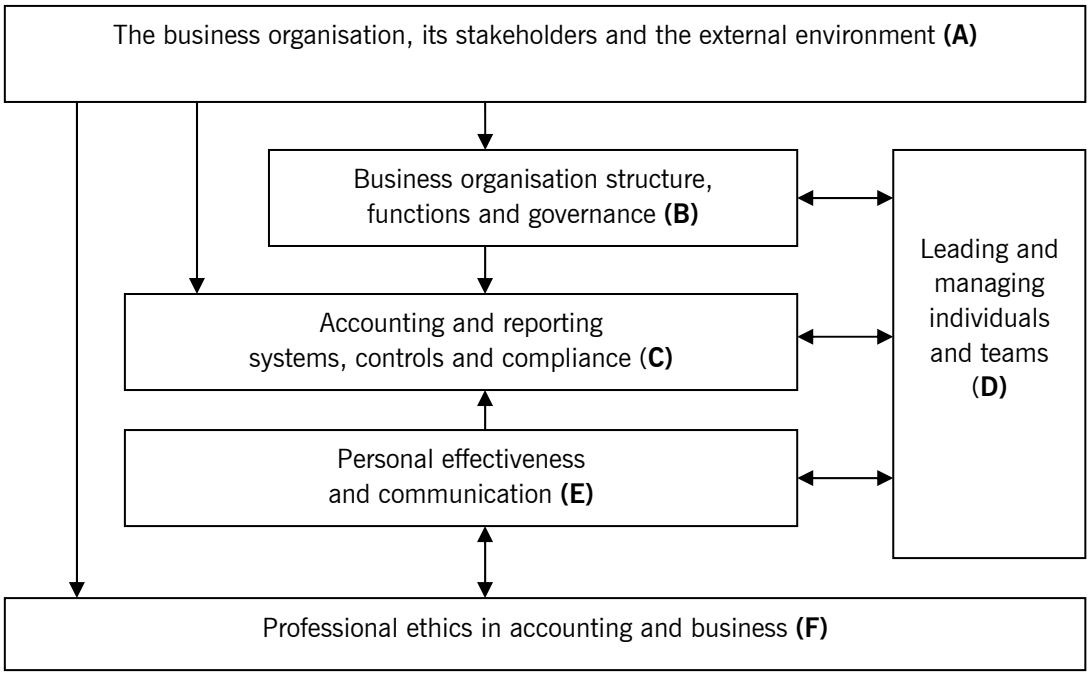
C Recognise the function of accountancy and audit in communicating, reporting and assuring financial information and in effective financial control and compliance

D Recognise the principles of authority and leadership and how teams and individuals are recruited, managed, motivated and developed.

E Understand the importance of personal effectiveness as the basis for effective team and organisational behaviour.

F Recognise that all aspects of business and finance should be conducted in a manner which complies with and is in the spirit of accepted professional ethics and professional values

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The business organisation, its stakeholders and the external environment

1. The purpose and types of business organisation
2. Stakeholders in business organisations
3. Political and legal factors affecting business
4. Macro economic factors
5. Micro economic factors
6. Social and demographic factors
7. Technological factors
8. Environmental factors
9. Competitive factors

B Business organisational structure, functions and governance

1. The formal and informal business organisation
2. Business organisational structure and design
3. Organisational culture in business
4. Committees in business organisations
5. Governance and social responsibility in business

C Accounting and reporting systems, controls and compliance

1. The relationship between accounting and other business functions
2. Accounting and finance functions within business organisations
3. Principles of law and regulation governing accounting and auditing
4. The sources and purpose of internal and external financial information, provided by business
5. Financial systems, procedures and related IT applications
6. Internal controls, authorisation, security of data and compliance within business
7. Fraud and fraudulent behaviour and their prevention in business, including money laundering.

D Leading and managing individuals and teams

1. Leadership, management and supervision
2. Recruitment and selection of employees
3. Individual and group behaviour in business organisations
4. Team formation, development and management
5. Motivating individuals and groups
6. Learning and training at work
7. Review and appraisal of individual performance.

E Personal effectiveness and communication

1. Personal effectiveness techniques
2. Consequences of ineffectiveness at work
3. Competence frameworks and personal development
4. Sources of conflicts and techniques for conflict resolution and referral
5. Communicating in business.

F Professional ethics in accounting and business

1. Fundamental principles of ethical behaviour
2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession
3. Corporate codes of ethics
4. Ethical conflicts and dilemmas

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of 50 two mark questions. ACCA will introduce longer style questions in the future and as such approved learning content materials will contain some of these longer style questions. ACCA will provide sufficient notice on when the longer style questions will be introduced.

Study Guide

A THE BUSINESS ORGANISATION, ITS STAKEHOLDERS AND THE EXTERNAL ENVIRONMENT

1. The purpose and types of business organisation

a) Define 'business organisations' and explain why they are formed.[K]

b) Describe common features of business organisations.[K]

c) Outline how business organisations differ.[K]

d) List the industrial and commercial sectors in which business organisations operate.[K]

e) Identify the different types of business organisation:[K]
   i) Commercial
   ii) Not-for-profit
   iii) Public sector
   iv) Non-governmental organisations
   v) Cooperatives

2. Stakeholders in business organisations

a) Define stakeholders and explain the agency relationship in business and how it may vary in different types of business organisation.[K]

b) Define internal, connected and external stakeholders and explain their impact on the organisation.[K]

c) Identify the main stakeholder groups and the objectives of each group.[K]

d) Explain how the different stakeholder groups interact and how their objectives may conflict with one another.[K]

e) Compare the power and influence of various stakeholder groups and how their needs should be accounted for, such as under the Mendelow framework.[K]

3. Political and legal factors affecting business

a) Explain how the political system and government policy affect the organisation.[K]

b) Describe the sources of legal authority, including supra-national bodies, national and regional governments.[K]

c) Explain how the law protects the employee and the implications of employment legislation for the manager and the organisation.[K]

d) Identify the principles of data protection and security.[K]

e) Explain how the law promotes and protects health and safety in the workplace.[K]

f) Recognise the responsibility of the individual and organisation for compliance with laws on data protection, security and health and safety.[K]

g) Outline principles of consumer protection such as sale of goods and simple contract.[K]

4. Macro-economic factors

a) Define macro-economic policy.[K]

b) Explain the main determinants of the level of business activity in the economy and how variations in the level of business activity affect individuals, households and businesses.[K]

c) Explain the impact of economic issues on the individual, the household and the business: [K]
   i) inflation
   ii) unemployment
   iii) stagnation
   iv) international payments disequilibrium.

d) Describe the main types of economic policy that may be implemented by government and supra-national bodies to maximise economic welfare.[K]

e) Recognise the impact of fiscal and monetary policy measures on the individual, the household and businesses.[K]

5. Micro economic factors

a) Define the concept of demand and supply for goods and services.[K]

b) Explain elasticity of demand and the impact of substitute and complementary goods.[K]

c) Explain the economic behaviour of costs in the short and long term.[K]

d) Define perfect, imperfect and monopolistic markets.[K]

6. Social and demographic factors

a) Explain the medium and long-term effects of social and demographic trends on business outcomes and the economy.[K]

b) Describe the impact of changes in social structure, values, attitudes and tastes on the organisation.[K]

c) Identify and explain the measures that governments may take in response to the medium and long-term impact of demographic change.[K]

7. Technological factors

a) Explain the effects of technological change on the organisation structure and strategy:[K]
   i) Downsizing
   ii) Delayering
   iii) Outsourcing

b) Describe the impact of information technology and information systems development on business processes.[K]

8. Environmental factors

a) List ways in which the businesses can affect or be affected by its physical environment.[K]

b) Describe ways in which businesses can operate more efficiently and effectively to limit damage to the environment.[K]

c) Identify the benefits of economic sustainability to a range of stakeholders.[K]

9. Competitive factors

a) Identify a business's strengths, weaknesses opportunities and threats (SWOT) in a market and the main sources of competitive advantage.[K]

b) Describe the activities of an organisation that affect its competitiveness:[K]
   i) purchasing
   ii) production
   iii) marketing
   iv) service

c) Explain the factors or forces that influence the level of competitiveness in an industry or sector using Porter's five forces model.[K]

B BUSINESS ORGANISATION STRUCTURE, FUNCTIONS AND GOVERNANCE

1. The formal and informal business organisation

a) Explain the informal organisation and its relationship with the formal organisation.[K]

b) Describe the impact of the informal organisation on the business.[K]

2. Business organisation structure and design

a) Describe the different ways in which formal organisations may be structured: entrepreneurial, functional, matrix, divisional, departmental, by geographical area and by product.[K]

b) Explain basic organisational structure concepts: [K]
   i) separation of direction and management
   ii) span of control and scalar chain
   iii) tall and flat organisations

c) Explain the characteristics of the strategic, tactical and operational levels in the organisation in the context of the Anthony hierarchy.[K]

d) Explain centralisation and decentralisation and list their advantages and disadvantages.[K]

e) Describe the roles and functions of the main departments in a business organisation: [K]
   i) research and development
   ii) purchasing
   iii) production
   iv) direct service provision
   v) marketing
   vi) administration
   vii) finance.

f) Explain the role of marketing in an organisation: [K]
   i) the definition of marketing
   ii) the marketing mix
   iii) the relationship of the marketing plan to the strategic plan

3. Organisational culture in business

a) Define organisational culture.[K]

b) Describe the factors that shape the culture of the organisation.[K]

c) Explain the contribution made by writers on culture:[K]
   i) Schein – determinants of organisational culture
   ii) Handy – four cultural stereotypes
   iii) Hofstede – international perspectives on culture

4. Committees in business organisations

a) Explain the purposes of committees.[K]

b) Describe the types of committee used by business organisations.[K]

c) List the advantages and disadvantages of committees.[K]

d) Explain the roles of the Chair and Secretary of a committee.[K]

5. Governance and social responsibility in business

a) Explain the concept of separation between ownership and control.[K]

b) Define corporate governance and social responsibility and explain their importance in contemporary organisations.[K]

c) Explain the responsibility of organisations to maintain appropriate standards of corporate governance and corporate social responsibility.[K]

d) Briefly explain the main recommendations of best practice in effective corporate governance:[K]
   i) Non-executive directors
   ii) Remuneration committees
   iii) Audit committees
   iv) Public oversight

e) Explain how organisations take account of their social responsibility objectives through analysis of the needs of internal, connected and external stakeholders.[K]

f) Identify the social and environmental responsibilities of business organisations to internal, connected and external stakeholders.[K]

C ACCOUNTING AND REPORTING SYSTEMS, CONTROLS AND COMPLIANCE

1. The relationship between accounting and other business functions

a) Explain the relationship between accounting and other key functions within the business such as procurement, production and marketing.**[K]**

b) Explain financial considerations in production and production planning.**[K]**

c) Identify the financial issues associated with marketing.**[S]**

d) Identify the financial costs and benefits of effective service provision.**[S]**

2. Accounting and finance functions within business

a) Explain the contribution of the accounting function to the formulation, implementation,

and control of the organisation's policies, procedures, and performance.[K]

b) Identify and describe the main financial accounting functions in business:[K]
   i) recording financial information
   ii) codifying and processing financial information
   iii) preparing financial statements

c) Identify and describe the main management accounting and performance management functions in business:[K]
   i) recording and analysing costs and revenues
   ii) providing management accounting information for decision-making
   iii) planning and preparing budgets and exercising budgetary control.

d) Identify and describe the main finance and treasury functions:[K]
   i) calculating and mitigating business tax liabilities
   ii) evaluating and obtaining finance
   iii) managing working capital
   iv) treasury and risk management.

e) Identify and describe the main audit and assurance roles in business
   i) internal
   ii) external audit.[K]

f) Explain the main functions of the internal auditor and the external auditor and how they differ.[K]

3. Principles of law and regulation governing accounting and audit

a) Explain basic legal requirements in relation to retaining and submitting proper records and preparing and auditing financial reports.[K]

b) Explain the broad consequences of failing to comply with the legal requirements for maintaining and filing accounting records.[K]

c) Explain how the international accountancy profession regulates itself through the establishment of reporting standards and their monitoring.[K]

4. The sources and purpose of internal and external financial information, provided by business

a) Explain the various business purposes for which the following financial information is required:[K]
   (i) The income statement
   (ii) The statement of cash flows
   (iii) The statement of financial position

b) Describe the main purposes of the following types of management accounting reports.[K]:
   i) Cost schedules
   (ii) Budgets
   (iii) Variance reports

5. Financial systems, procedures and related IT applications

a) Identify an organisation's system requirements in relation to the objectives and policies of the organisation.[S]

b) Describe the main financial systems used within an organisation:[S]
   i) purchases and sales invoicing
   ii) payroll
   iii) credit control
   iv) cash and working capital management.

c) Explain why it is important to adhere to policies and procedures for handling clients' money.[K]

d) Identify weaknesses, potential for error and inefficiencies in accounting systems.[S]

e) Recommend improvements to accounting systems to prevent error and fraud and to improve overall efficiency.[S]

f) Explain why appropriate controls are necessary in relation to business and IT systems and procedures.[S]

g) Identify business uses of computers and IT software applications:[S]
   i) Spreadsheet applications
   ii) Database systems
   iii) Accounting packages

h) Describe and compare the relative benefits and limitations of manual and automated financial systems that may be used in an organisation.[K]

6. Internal controls, authorisation, security and compliance within business

a) Explain internal control and internal check.[K]

b) Explain the importance of internal financial controls in an organisation.[K]

c) Describe the responsibilities of management for internal financial control.[K]

d) Describe the features of effective internal financial control procedures in an organisation, including authorisation.[K]

e) Identify and describe the types of information technology and information systems used by the business organisation for internal control.[S]

f) Identify and describe features for protecting the security of IT systems and software within business.[S]

g) Describe general and application systems controls in business.[K]

7. Fraud and fraudulent behaviour and their prevention in business.

a) Explain the circumstances under which fraud is likely to arise.[K]

b) Identify different types of fraud in the organisation.[K]

c) Explain the implications of fraud for the organisation.[K]

d) Explain the role and duties of individual managers in the fraud detection and prevention process.[K]

e) Define the term money laundering.[K]

f) Give examples of recognised offences under typical money laundering regulation.[K]

g) Identify methods for detecting and preventing money laundering.[K]

h) Explain how suspicions of money laundering should be reported to the appropriate authorities.[K]

D LEADING AND MANAGING INDIVIDUALS AND TEAMS

1. Leadership, management and supervision

a) Define leadership, management and supervision and explain the distinction between these terms.[K]

b) Explain the nature of management:[K]
   i) scientific/classical theories of management Fayol, Taylor
   ii) the human relations school – Mayo
   iii) the functions of a manager – Mintzberg, Drucker

c) Explain the areas of managerial authority and responsibility.[K]

d) Explain the situational, functional and contingency approaches to leadership with reference to the theories of Adair, Fiedler, Bennis, Kotter and Heifetz.[K]

e) Describe leadership styles and contexts: using the models of Ashridge, and Blake and Mouton.[K]

2. Recruitment and selection of employees

a) Explain the importance of effective recruitment and selection to the organisation.[K]

b) Describe the recruitment and selection process and explain the stages in this process.[K]

c) Describe the roles of those involved in the recruitment and selection processes.[K]

d) Describe the methods through which organisations seek to meet their recruitment needs.[K]

e) Explain the advantages and disadvantages of different recruitment and selection methods.[K]

f) Explain the purposes of a diversity policy within the human resources plan.[K]

g) Explain the purpose and benefits of an equal opportunities policy within human resource planning.[K]

h) Explain the practical steps that an organisation may take to ensure the effectiveness of its diversity and equal opportunities policy.[K]

3. Individual and group behaviour in business organisations

a) Describe the main characteristics of individual and group behaviour.[K]

b) Outline the contributions of individuals and teams to organisational success.[K]

c) Identify individual and team approaches to work.[K]

4. Team formation, development and management

a) Explain the differences between a group and a team.[K]

b) Define the purposes of a team.[K]

c) Explain the role of the manager in building the team and developing individuals within the team.[K]
   i) Belbin's team roles theory
   ii) Tuckman's theory of team development

d) List the characteristics of effective and ineffective teams.[K]

e) Describe tools and techniques that can be used to build the team and improve team effectiveness.[K]

5. Motivating individuals and groups

a) Define motivation and explain its importance to the organisation, teams and individuals.[K]

b) Explain content and process theories of motivation: Maslow, Herzberg, McGregor, and Vroom.[K]

c) Explain and identify types of intrinsic and extrinsic reward.[K]

d) Explain how reward systems can be designed and implemented to motivate teams and individuals.[K]

6. Learning and training at work

a) Explain the importance of learning and development in the workplace.[K]

b) Describe the learning process: Honey and Mumford, Kolb.[K]

c) Describe the role of the human resources department and individual managers in the learning process.[K]

d) Describe the training and development process: identifying needs, setting objectives, programme design, delivery and validation.[K]

e) Explain the terms 'training', 'development' and 'education' and the characteristics of each.[K]

f) List the benefits of effective training and development in the workplace.[K]

7. Review and appraisal of individual performance

a) Explain the importance of performance assessment.[K]

b) Explain how organisations assess the performance of human resources.[K]

c) Define performance appraisal and describe its purposes.[K]

d) Describe the performance appraisal process.[K]

e) Explain the benefits of effective appraisal.[K]

f) Identify the barriers to effective appraisal and how these may be overcome.[K]

g) Explain how the effectiveness of performance appraisal may be evaluated.[K]

E. PERSONAL EFFECTIVENESS AND COMMUNICATION IN BUSINESS

1. Personal effectiveness techniques

a) Explain the importance of effective time management.[K]

b) Describe the barriers to effective time management and how they may be overcome.[K]

c) Describe the role of information technology in improving personal effectiveness.[S]

2. Consequences of ineffectiveness at work

a) Identify the main ways in which people and teams can be ineffective at work.[S]

b) Explain how individual or team ineffectiveness can affect organisational performance.[K]

3. Competence frameworks and personal development

a) Describe the features of a 'competence framework'.[S]

b) Explain how a competence framework underpins professional development needs.[S]

c) Explain how personal and continuous professional development can increase personal effectiveness at work.[S]

d) Explain the purpose and benefits of coaching, mentoring and counselling in promoting employee effectiveness [K]

e) Describe how a personal development plan should be formulated, implemented, monitored and reviewed by the individual.[S]

4. Sources of conflict and techniques for conflict resolution and referral

a) Identify situations where conflict at work can arise.[S]

b) Describe how conflict can affect personal and organisational performance.[S]

c) Explain how conflict can be avoided.[S]

d) Identify ways in which conflict can be resolved or referred.[S]

5. Communicating in business

a) Define communications.[K]

b) Identify methods of communication used in the organisation and how they are used.[K]

c) Explain how the type of information differs and the purposes for which it is applied at different levels of the organisation: strategic, tactical and operational.[K]

d) List the attributes of good quality information.[K]

e) Explain a simple communication model: sender, message, receiver, feedback, noise.[K]

f) Explain formal and informal communication and their importance in the workplace.[K]

g) Identify the consequences of ineffective communication.[K]

h) Describe the attributes of effective communication.[K]

i) Describe the barriers to effective communication and identify practical steps that may be taken to overcome them.[K]

j) Describe the main methods and patterns of communication.[K]

F PROFESSIONAL ETHICS IN ACCOUNTING AND BUSINESS

1. Fundamental principles of ethical behaviour

a) Define business ethics and explain the importance of ethics to the organisation and to the individual.[K]

b) Describe and demonstrate the following principles from the IFAC code of ethics, using examples.[K]
(i) Integrity
(ii) Objectivity
(iii) Professional competence

(iv) Confidentiality
(v) Professional behaviour

c) Describe organisational values which promote ethical behaviour using examples.[K]
(i) Openness
(ii) Trust
(iii) Honesty
(iv) Respect
(v) Empowerment
(vi) Accountability

d) Explain the concept of acting in the public interest.[K].

2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession

a) Recognise the purpose of international and organisational codes of ethics and codes of conduct, IFAC, ACCA etc.[K]

b) Describe how professional bodies and regulators promote ethical awareness and prevent or punish illegal or unethical behaviour.[K]

c) Identify the factors that distinguish a profession from other types of occupation.[1

d) Explain the role of the accountant in promoting ethical behaviour.[K]

e) Recognise when and to whom illegal, or unethical conduct by anyone within or connected to the organisation should be reported [K]

3. Corporate codes of ethics

a) Define corporate codes of ethics.[K]

b) Describe the typical contents of a corporate code of ethics.[K]

c) Explain the benefits of a corporate code of ethics to the organisation and its employees.[K]

4. Ethical conflicts and dilemmas

a) Describe situations where ethical conflicts can arise.[K]

b) Identify the main threats to ethical behaviour.[K]

c) Outline situations at work where ethical dilemmas may be faced.[K]

d) List the main safeguards against ethical threats and dilemmas.[K]