

# CPA Preparatory Courses

## Syllabus

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# SYLLABUS

## GUIDE TO THE SYLLABUS

### Purpose

The purpose of the Syllabus is to provide detailed information on the content of the CPA preparatory courses. This document has been produced for education administrators, course authors, course examiners, committee members, and resource people in the CPA education system; current and potential students and those who advise them; and others in the professional, academic, and general community.

### Contents

The remaining sections of this introduction provide background information on the major features of the CPA preparatory courses. Note: Five of the preparatory core courses have been redesigned, with the rest being redesigned by the end of 2022. Therefore, the course details for Financial Reporting 1, Financial Reporting 2, Taxation, Audit and Assurance, and Information Technology are accessible as separate documents [here](#).

The main part of the Syllabus comprises the course descriptions and outlines of the course content, in the following subject areas:

- financial accounting
- management accounting
- finance
- auditing
- taxation
- performance management
- economics
- statistics
- business law
- information technology

Students are not required to complete all courses, just the ones in which they lack subject area coverage.

The amount of information provided for each course in this edition of the Syllabus depends on its status; courses under review or development may have only a provisional description.

## OVERVIEW OF THE CPA PREPARATORY COURSES

### Mission

The CPA preparatory courses are high-quality educational courses accessible for students wanting to complete the prerequisite education required to enter the CPA Professional Education Program (CPA PEP).

### Features

The CPA preparatory courses meet the standards of education and examination required for individuals to enter the CPA PEP. The CPA profession is recognized internationally as a leading developer and provider of competency-based professional accounting education.

### Competencies

The CPA preparatory courses are competency-based, emphasizing development of the key areas of knowledge and enabling competencies required of accountants and senior financial managers, including:

- professional expertise in accounting and related areas
- interpretive, judgmental, and analytical skills
- management of change in the technologies, processes, and structures of organizations
- use of complex information systems in decision-making

The CPA profession is committed to the concept of lifelong learning. Its competency-based approach is maintained in professional development courses and career development following certification.

### Structure

The structure of the CPA preparatory courses is as follows:

#### Non-core courses

- Introductory Financial Accounting
- Introductory Management Accounting
- Economics
- Statistics
- Business Law

#### Core courses

- Intermediate Financial Reporting 1
- Intermediate Financial Reporting 2
- Advanced Financial Reporting
- Corporate Finance
- Audit and Assurance
- Taxation
- Intermediate Management Accounting
- Performance Management
- Information Technology

### Admission requirements

To be admitted into a CPA preparatory course, applicants require:

- 30 credit-hours or equivalent of education at a post-secondary institution (30 credit-hours<sup>1</sup>/academic year)
- good character

To be admitted to the CPA PEP, applicants require:

- an undergraduate degree or master's degree
- completion of prerequisite learning
- 120 credit-hours or equivalent of education (30 credit-hours<sup>1</sup>/academic year)
- good character

<sup>1</sup> Credit-hour is an input measure meant to reflect student time required to earn credit for the course. Generally, a three-credit course requires 33 hours of contact time (lecture, and so on) or 132 hours of student engagement time (lectures, tutorial, practice activities, testing or assessment, or preparation).

## Course descriptions and outlines

The pages that follow contain the descriptions (including prerequisites) and outlines for each of the CPA preparatory courses.

Some courses may still be under development; consequently, this information may change. CPA Canada reserves the right to make changes to the Syllabus without prior notice.

Topic	Courses
FINANCIAL ACCOUNTING COURSES	Introductory Financial Accounting Intermediate Financial Reporting 1 Intermediate Financial Reporting 2 Advanced Financial Reporting
MANAGEMENT ACCOUNTING COURSES	Introductory Management Accounting Intermediate Management Accounting
FINANCE COURSE	Corporate Finance
AUDIT COURSE	Audit and Assurance
TAXATION COURSE	Taxation
PERFORMANCE MANAGEMENT COURSE	Performance Management
GENERAL BUSINESS COURSES	Economics Statistics Business Law Information Technology

## INTRODUCTORY FINANCIAL ACCOUNTING

Non-core course

### Prerequisites

None

### Course description

Introductory Financial Accounting is the first financial accounting course in CPA preparatory courses. This course is an integrated introduction to accounting principles and practices. It is designed to help you begin to understand accounting information and help you gain an appreciation for its uses and limitations.

### Resources

Thomas, Tietz, Harrison, Berberich, and Seguin, *Financial Accounting*, seventh Canadian Edition (Pearson, 2021)

Select required and optional readings from the CPA Canada Learning Library Financial Reporting volume.

### Grading and examination format

The grade for this course is based 100% on the final examination. The total mark needed to pass the course is 50%. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

#### ***Financial Accounting, Chapter 1: The Financial Statements***

Optional CPA Canada Learning Library Financial Reporting chapters:

- Chapter 1: The History of Accounting
- Chapter 2: Accounting Today
- Chapter 3: Accounting Principles, Assumptions, and Concepts
- Chapter 7: Ethics and Financial Reporting

#### ***Financial Accounting, Chapter 2: Recording Business Transactions***

Optional CPA Canada Learning Library Financial Reporting chapters:

- Chapter 8: The Accounting Equation
- Chapter 9: The Accounting Cycle



***Financial Accounting, Chapter 3: Accrual Accounting and the Financial Statements***

Optional CPA Canada Learning Library Financial Reporting chapters:

- Chapter 10: Financial Statements and Disclosures — Introduction
- Chapter 11: Financial Statements and Disclosures — Statement of Financial Position
- Chapter 12: Financial Statements and Disclosures — Statement of Profit or Loss and Other Comprehensive Income
- Chapter 13: Financial Statements and Disclosures — Statement of Changes in Equity

***Financial Accounting, Chapter 4: Cash and Receivables***

Optional CPA Canada Learning Library Financial Reporting chapters:

- Chapter 20: Cash and Cash Equivalents
- Chapter 21: Internal Controls and Cash

***Financial Accounting, Chapter 5: Inventory and Cost of Goods Sold***

Optional CPA Canada Learning Library Financial Reporting chapters:

- Chapter 22: Trade Receivables
- Chapter 23: Notes Receivable
- Chapter 24: Inventory Accounting Systems
- Chapter 26: Inventory

***Financial Accounting, Chapter 6: Property, Plant and Equipment, and Intangible Assets***

Optional CPA-Canada Learning Library Financial Reporting chapters:

- Chapter 29: Property, Plant, and Equipment

***Financial Accounting, Appendix B: Investments and the Time Value of Money******Financial Accounting, Chapter 7: Liabilities******Financial Accounting, Chapter 8: Shareholders' Equity***

Required CPA-Canada Learning Library Financial Reporting chapters:

- Chapter 27: Understanding Investments

- Chapter 36: Current Liabilities
- Chapter 46: Current Income Taxes
- Chapter 69: Information Technology in Accounting — Overview

## **INTERMEDIATE FINANCIAL REPORTING 1**

Details can be found in the [Intermediate Financial Reporting 1 syllabus](#).

## **INTERMEDIATE FINANCIAL REPORTING 2**

Details can be found in the [Intermediate Financial Reporting 2 syllabus](#).

## ADVANCED FINANCIAL REPORTING

Core course

### Prerequisites

Intermediate Financial Reporting 2

### Course description

This six-week course deals with financial accounting topics such as consolidations, foreign currency, and not-for-profit accounting.

As you progress through this course, you can expect to develop and strengthen both technical and enabling competencies. Your main focus will be on the technical competencies found in the financial reporting section of [The CPA Competency Map](#); you will develop these competencies at A, B, and C levels in preparation for your entry into the CPA PEP. Mastering these competencies will give you a solid foundation for entry into the CPA PEP.

### Resources

Students will be given access to Knotia, which contains a collection of standards, rules, and guidelines published by CPA Canada. Students are encouraged to start becoming familiar with the standards as currently provided through the *CPA Canada Handbook*. In Canada, practitioners follow the standards in the *CPA Canada Handbook – Accounting*.

### Grading and examination format

Item	Weight
Quizzes	12%
Assignments	18%
Exam	<u>70%</u>
Total	<u>100%</u>

Students must have a minimum of 50% on the exam with an overall mark on the course of 60% or higher. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

PREREQUISITE KNOWLEDGE

STRUCTURE OF COURSE MATERIAL

**TOPIC 1.1: GOVERNING STANDARDS****TOPIC 1.2: OVERVIEW OF STRATEGIC INVESTMENTS IN FINANCIAL ASSETS****1.2-1 Strategic versus non-strategic investments****TOPIC 1.3: THE EQUITY METHOD****TOPIC 1.4: INVESTMENTS IN ASSOCIATES****1.4-1 Initial measurement and the acquisition differential****1.4-2 Subsequent measurement: Statement of comprehensive income (SCI)****1.4-3 Subsequent measurement: Statement of financial position (SFP)****1.4-4 Change in ownership interest, including derecognition****1.4-5 Different period ends****1.4-6 Presentation****1.4-7 Disclosure****TOPIC 1.5: BUSINESS COMBINATIONS (SUBSIDIARIES)****1.5-1 Forms of business combinations****TOPIC 1.6: BUSINESS COMBINATIONS BY WAY OF PURCHASE OF NET ASSETS****1.6-1 Initial measurement****1.6-2 Subsequent measurement and derecognition****TOPIC 1.7: BUSINESS COMBINATIONS BY WAY OF CONTRACTUAL AGREEMENT****TOPIC 1.8: BUSINESS COMBINATIONS BY WAY OF SHARE ACQUISITION****1.8-1 Initial measurement****TOPIC 1.9: OVERVIEW OF CONSOLIDATION PROCEDURES****1.9-1 Consolidation framework****TOPIC 1.10: ALLOCATING THE AD****1.10-1 Identifying the acquirer****1.10-2 Determining the acquisition date**

1.10-3 Initial measurement of the INA acquired

1.10-4 Recognition and initial measurement of NCI and goodwill

TOPIC 1.11: AD AMORTIZATION AND IMPAIRMENT SCHEDULES

TOPIC 1.12: CONSOLIDATED SFP AT ACQUISITION DATE

TOPIC 2.1: OVERVIEW — SUBSEQUENT MEASUREMENT OF CONTROL INVESTMENTS

2.1-1 Simplifying assumptions

TOPIC 2.2: ACQUISITION DIFFERENTIAL AMORTIZATION AND IMPAIRMENT SCHEDULE

TOPIC 2.3: CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — 100% OWNERSHIP

2.3-1 Verification of consolidated net income

TOPIC 2.4: CONSOLIDATED STATEMENT OF RETAINED EARNINGS

TOPIC 2.5: CONSOLIDATED STATEMENT OF FINANCIAL POSITION — 100% OWNERSHIP

TOPIC 2.6: CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME — LESS THAN 100% OWNERSHIP

TOPIC 2.7: SUBSEQUENT MEASUREMENT FOR A NON-CONTROLLING INTEREST

TOPIC 2.8: CONSOLIDATED STATEMENT OF FINANCIAL POSITION — LESS THAN 100% OWNERSHIP

TOPIC 2.9: PREPARING CONSOLIDATED FINANCIAL STATEMENTS — OTHER FACTORS

2.9-1 Net method versus gross method for reporting fixed assets

2.9-2 Uniform accounting policies

2.9-3 Acquisition of a subsidiary at other than its year end

2.9-4 Changes in the level of share ownership

APPENDIX: THE WORKSHEET APPROACH

TOPIC 3.1: INTRODUCTION — INTERCOMPANY BALANCES AND TRANSACTIONS

TOPIC 3.2: INTERCOMPANY BALANCES

TOPIC 3.3: INTERCOMPANY REVENUES AND EXPENSES

3.3-1 Intercompany items — working paper schedules

TOPIC 3.4: UNREALIZED PROFITS ON THE INTERCOMPANY SALE OF NON-DEPRECIABLE ASSETS, INCLUDING LAND

3.4-1 Non-depreciable assets — adjustments in year of intercompany sale

3.4-2 Non-depreciable assets — adjustments in intervening years

3.4-3 Non-depreciable assets — adjustments in year of sale to an outside party

3.4-4 Non-depreciable assets — downstream versus upstream sales

TOPIC 3.5: UNREALIZED PROFITS ON THE INTERCOMPANY SALE OF DEPRECIABLE ASSETS

3.5-1 Depreciable assets — adjustments in year of intercompany sale

3.5-2 Depreciable assets — adjustments in subsequent years

3.5-3 Depreciable assets — adjustments in the year of sale to an outside party

3.5-4 Depreciable assets — downstream versus upstream sales

TOPIC 3.6: UNREALIZED PROFITS ON THE INTERCOMPANY SALE OF INVENTORY

3.6-1 Inventory — adjustments in year of intercompany sale

3.6-2 Inventory — adjustments in year of sale to an outside party

3.6-3 Inventory — downstream versus upstream sales

3.6-4 Summary of required adjustments for intercompany sales of inventory

TOPIC 3.7: SUMMARY OF EFFECTS OF INTERCOMPANY TRANSACTIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS

TOPIC 3.8: COMPREHENSIVE EXAMPLE

TOPIC 4.1: SUBSIDIARY WITH PREFERENCE SHARES OUTSTANDING

**TOPIC 4.2: INDIRECT SHAREHOLDINGS****TOPIC 4.3: DEFERRED TAXES ARISING ON ACQUISITION****TOPIC 4.4: CONSOLIDATED STATEMENT OF CASH FLOWS****TOPIC 4.5: OPERATING SEGMENTS**

4.5-1 Reportable segments

4.5-2 Required disclosure for reportable segments

**TOPIC 4.6: JOINT ARRANGEMENTS**

4.6-1 Joint operation versus joint venture

4.6-2 Accounting for joint ventures

4.6-3 Accounting for joint operations

**TOPIC 4.7: ASPE REPORTING FOR STRATEGIC INVESTMENTS**

4.7-1 Subsidiaries

4.7-2 Associates

4.7-3 Joint arrangements

**TOPIC 4.8: FINANCIAL STATEMENT PRESENTATION AND DISCLOSURE**

4.8-1 Presentation of consolidated financial statements

4.8-2 Disclosure requirements for business combinations

4.8-3 Disclosure of interests in other entities

**TOPIC 5.1: GOVERNING STANDARDS****TOPIC 5.2: FOREIGN CURRENCY TRANSACTIONS**

5.2-1 Initial measurement — monetary and non-monetary items

5.2-2 Subsequent measurement — monetary and non-monetary items

5.2-3 Derecognition

5.2-4 Current trends and issues in exchange rates: Cryptocurrency

**TOPIC 5.3: HEDGING FOREIGN CURRENCY EXPOSURE**



5.3-1 Accounting for hedging instruments of foreign currency exposure when hedge accounting is not adopted

5.3-2 Gross method versus net method

#### TOPIC 5.4: HEDGE ACCOUNTING

5.4-1 Types of hedges

5.4-2 Qualifying criteria for hedge accounting

5.4-3 Accounting for fair value hedges

5.4-4 Accounting for cash flow hedges

5.4-5 Comparison of journal entries: hedge accounting not adopted, fair value hedge, and cash flow hedge

#### TOPIC 5.5: TRANSLATION AND CONSOLIDATION OF FOREIGN SUBSIDIARIES

5.5-1 Determining the entity's functional currency

5.5-2 Translation methods

5.5-3 Allocating and amortizing the acquisition differential

5.5-4 Integrated operation (temporal method)

5.5-5 Self-sustaining foreign operation (current rate method)

#### APPENDIX A: POWER BI AND DASHBOARDS

#### POWER BI ILLUSTRATION

#### APPENDIX B: GLOSSARY OF TERMS

**TOPIC 6.1: GOVERNING STANDARDS**

- 6.1-1 Governing standards for private sector NFPOs
- 6.1-2 Governing standards for the public sector

**TOPIC 6.2: ACCOUNTING FOR NFPOS**

- 6.2-1 Required financial statements
- 6.2-2 Fund accounting
- 6.2-3 Types of contributions to NFPOs
- 6.2-4 Revenue recognition of contributions to NFPOs
- 6.2-5 Accounting for NFPOs: Other considerations
- 6.2-6 Encumbrance accounting
- 6.2-7 Presentation and disclosure
- 6.2-8 NFPO example: CPA Canada's financial statements

**TOPIC 6.3: ACCOUNTING FOR GOVERNMENTS**

- 6.3-1 The Public Sector Accounting Board (PSAB)
- 6.3-2 Objectives of government financial reporting
- 6.3-3 Limitations of government financial reporting
- 6.3-4 Internal and external users of government accounting information
- 6.3-5 Required government financial statements

**APPENDIX: GLOSSARY OF TERMS**

## INTRODUCTORY MANAGEMENT ACCOUNTING

Non-core course

### Prerequisites

None

### Co-requisites

Introductory Financial Accounting

### Course description

Introductory Management Accounting examines how organizations use accounting information to plan, monitor, and control. Managers in all functional areas deal with the management accounting system of the organization they work for. The purpose of this course is to ensure that you have a basic understanding of how such systems operate, the language they use, and their limitations.

### Resources

Braun, Tietz, Beaubien, Managerial Accounting, fourth Canadian Edition (Pearson, 2021)

### Grading and examination format

The grade for this course is based 100% on the final examination. The total mark needed to pass the course is 50%. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

## Course outline

### ***Chapter 1 — Introduction to Managerial Accounting***

What is managerial accounting?  
What role do management accountants play?  
What regulatory and business issues affect today's management accountants?  
How do companies compete in today's global marketplace?  
How do managers improve quality?

### ***Chapter 2 — Building Blocks of Managerial Accounting***

What are the most common business sectors and their activities?  
How do companies define cost?  
How are inventoriable product costs and period costs shown in the financial statements?  
Other cost terms used by managers

### ***Chapter 3 — Cost Behaviour***

Cost behaviours: How do changes in volume affect costs?  
Determining cost behaviour (except regression analysis)  
The contribution margin income statement  
Appendix 3A: How does variable costing differ from absorption costing?

### ***Chapter 4 — Cost-Volume-Profit Analysis***

Cost-volume-profit analysis  
CVP and the break-even point  
Calculating the volume needed to earn a target profit  
The CVP as a tool to plan for changing business conditions  
Common indicators of risk

### ***Chapter 5 — Job Costing***

What methods are used to determine the cost of manufacturing a product?  
How do manufacturers determine a job's cost?  
How do managers deal with underallocated or overallocated manufacturing overhead?  
How do manufacturers treat nonmanufacturing costs?  
What journal entries are needed in a manufacturer's job costing system?  
Appendix 5A: How do service firms use job costing to determine the amount to bill clients?

### ***Chapter 7 — Activity-Based Costing***

Simple cost systems and the potential for distortion (except ABC in The Service Industry)

**Chapter 8 — Short-term Business Decisions**

How do managers make decisions?

Regular-pricing decisions

How do managers make special business decisions? (except transfer pricing decisions)

**Chapter 9 — The Master Budget and Responsibility Accounting**

How and why do managers use budgets?

How are the operating budgets prepared?

How are financial budgets prepared?

What is responsibility accounting?

Appendix 9A: The master budget for service and merchandising companies

**Chapter 10 — Flexible Budgets and Standard Costs**

How do managers use flexible budgets and variances?

What are standard costs?

How do managers use standard costs to analyze direct material and direct labour variances?

How do managers use standard costs to analyze manufacturing overhead variances?

How do managers compute the sales volume variance and flexible budget variance?

Appendix 10A: Standard cost accounting systems

**Chapter 11 — Performance Evaluation and the Balanced Scorecard**

Why do companies decentralize operations?

Performance evaluation systems

Evaluating the financial performance of cost, revenue, and profit centres

Evaluating the financial performance of investment centres

Appendix 11A: Allocating service department costs

**Chapter 12 — Capital Investment Decisions and the Time Value of Money**

What is capital budgeting?

Computing the time value of money

Calculating the net present value and internal rate of return

Capital budgeting methods in comparison

Appendix 12A: Present value and future value tables

## INTERMEDIATE MANAGEMENT ACCOUNTING

Core course

### Prerequisites

Introductory Financial Accounting

Introductory Management Accounting

Corporate Finance

### Course description

This course is six weeks long and covers a variety of intermediate management accounting topics.

The objective of Intermediate Management Accounting is to assist you to develop the professional competence and skills that will enable you to understand the requirements of management reporting. This course will also help to develop your ability to assess a situation, identify issues and alternatives, and formulate recommendations using professional judgment.

You will develop and strengthen your:

- technical knowledge of issues in management accounting and reporting
- ability as a professional to focus clearly on the concerns of management
- application of a systematic methodology in solving a range of problems

### Grading and examination format

Item	Weight
Quizzes	12%
Assignments	18%
Exam	<u>70%</u>
Total	<u>100%</u>

Students must have a minimum of 50% on the exam with an overall mark on the course of 60% or higher. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

**Course outline****WEEK 1: OVERVIEW****TOPIC 1.1: ROLE OF THE MANAGEMENT ACCOUNTANT**

- 1.1-1 Management accounting versus financial accounting
- 1.1-2 The evolving roles of management accounting and the management accountant
- 1.1-3 Management accounting and cost accounting
- 1.1-4 Role of management accounting in management of the organization
- 1.1-5 Role of information in management accounting decision-making

**TOPIC 1.2: COST CLASSIFICATIONS**

- 1.2-1 Cost distinctions important to financial accounting
- 1.2-2 Costing terms critical in costing system design
- 1.2-3 Costing system architecture
- 1.2-4 Cost terms used to describe and predict cost behaviour
- 1.2-5 Cost terms used in manufacturing costing systems
- 1.2-6 Cost terms used in planning and control
- 1.2-7 Cost terms used in decision-making

**TOPIC 1.3: COST ESTIMATION**

- 1.3-1 Judgment approaches
- 1.3-2 Data approaches

**TOPIC 1.4: COST-VOLUME-PROFIT ANALYSIS**

- 1.4-1 The cost-volume-profit-model
- 1.4-2 Using the cost-volume-profit units model
- 1.4-3 Sensitivity analysis for CVP
- 1.4-4 Developing and using the revenue CVP model
- 1.4-5 The CVP chart

- 1.4-6 Taxes and the CVP equations
- 1.4-7 Using the profit equation for what-if analysis
- 1.4-8 Multi-product CVP analysis
- 1.4-9 Spreadsheets
- 1.4-10 Scenario planning
- 1.4-11 Descriptive, predictive, and prescriptive data analytics

## WEEK 1 SUMMARY

### WEEK 2: OVERVIEW

#### TOPIC 2.1: CAPACITY

#### TOPIC 2.2: SERVICE DEPARTMENT COST ALLOCATION

- 2.2-1 Support and production departments
- 2.2-2 Methods of allocating support department costs
- 2.2-3 Direct method of support department cost allocation
- 2.2-4 Step method of support department cost allocation
- 2.2-5 Reciprocal method of support department cost allocation
- 2.2-6 Support department allocations — variable and fixed costs

#### TOPIC 2.3: JOB ORDER COSTING

- 2.3-1 Overview of job order costing
- 2.3-2 Components of a job order costing system
- 2.3-3 Job order costing steps
- 2.3-4 Actual and normal overhead rates
- 2.3-5 Choosing the denominator activity and its level
- 2.3-6 Analysis of activity level choices for the cost driver
- 2.3-7 Multiple overhead cost pools and system design
- 2.3-8 Recording manufacturing overhead



- 2.3-9 Dealing with over- and underapplied overhead
- 2.3-10 Highlighting idle capacity costs
- 2.3-11 Variable manufacturing overhead
- 2.3-12 The accounting entries underlying job order costing
- 2.3-13 Spoilage, reworked units, and scrap

#### TOPIC 2.4: JOINT AND BYPRODUCT COSTING

- 2.4-1 Joint costs, joint products, and byproducts
- 2.4-2 Why allocate joint costs?
- 2.4-3 Joint cost allocation methods
- 2.4-4 Physical output method
- 2.4-5 Sales value at split-off method
- 2.4-6 Net realizable value method
- 2.4-7 Constant gross margin percentage method
- 2.4-8 Byproducts
- 2.4-9 Advantages and disadvantages of the joint costing approaches

#### WEEK 2 SUMMARY

#### WEEK 3: OVERVIEW

#### TOPIC 3.1: PROCESS COSTING

- 3.1-1 Process costing systems
- 3.1-2 Process costing steps: Establishing physical flow and equivalent units
- 3.1-3 Process costing approaches
- 3.1-4 Weighted average cost flow assumption
- 3.1-5 Spoilage
- 3.1-6 Transferred-in costs
- 3.1-7 First in, first out (FIFO) cost flow assumption

3.1-8 Hybrid and operations costing systems

TOPIC 3.2: INDIRECT COST ALLOCATION SYSTEMS

3.2-1 Indirect cost allocation systems design

3.2-2 Objective in indirect cost allocation system design

3.2-3 Cost allocation system improvement

TOPIC 3.3: ACTIVITY-BASED COSTING SYSTEMS

3.3-1 Activity-based costing systems design

3.3-2 The ABC cost hierarchy

3.3-3 Differences between ABC and traditional costing

3.3-4 Activity-based management

3.3-5 Costs and benefits of ABC and ABM

TOPIC 3.4: OTHER METHODS FOR DETERMINING AND CONTROLLING COSTS

3.4-1 Kaizen costing

3.4-2 Product life cycle costing

TOPIC 3.5: SUPPLY CHAINS AND THE STRATEGIC USE OF COSTING SYSTEMS

3.5-1 What is a supply chain?

3.5-2 The extended supply chain and supply-chain partners

3.5-3 Using IT tools for supply-chain management

WEEK 3 SUMMARY

WEEK 4: OVERVIEW

TOPIC 4.1: VARIABLE (DIRECT) ABSORPTION (FULL) AND THROUGHPUT COSTING

4.1-1 Financial reporting differences between variable and absorption costing

4.1-2 Objections to absorption costing

4.1-3 Absorption and variable costing and cost-volume-profit (CVP) analysis

4.1-4 Throughput costing

**TOPIC 4.2: BUDGETING**

- 4.2-1 Definition and objectives
- 4.2-2 The budgeting process
- 4.2-3 The budget period
- 4.2-4 Budget participants
- 4.2-5 Budget data
- 4.2-6 Budget terms — budgets, forecasts, and pro forma financial statements
- 4.2-7 The master budget
- 4.2-8 The recursive nature of master budget development
- 4.2-9 Master budget components and illustration
- 4.2-10 Sales (revenue) budget
- 4.2-11 Production budget (purchases budget — merchandiser)
- 4.2-12 Direct materials purchases budget
- 4.2-13 Direct labour budget
- 4.2-14 Manufacturing overhead budget
- 4.2-15 Ending inventory budget
- 4.2-16 Cost of goods sold budget
- 4.2-17 Selling and administrative expenses budget
- 4.2-18 Capital budget
- 4.2-19 Cash budget
- 4.2-20 Budgeted income statement
- 4.2-21 Budgeted balance sheet
- 4.2-22 Activity-based budgeting
- 4.2-23 Zero-based budgeting
- 4.2-24 Budgeting and information systems

4-2-25 Data visualization and variance analysis

#### TOPIC 4.3: PRICING

- 4.3-1 The role of cost information in pricing
- 4.3-2 Cost information and short- and long-term pricing
- 4.3-3 Varying demand and varying prices
- 4.3-4 The management accountant's role in supporting revenue control
- 4.3-5 The management accountant's role in assessing revenue control
- 4.3-6 Contractual settings where cost information determines price
- 4.3-7 Cost-plus contracts
- 4.3-8 Insurance claims
- 4.3-9 Legal settings
- 4.3-10 Bidding

#### WEEK 4 SUMMARY

#### WEEK 5: OVERVIEW

#### TOPIC 5.1: STANDARD COSTS AND COST VARIANCES

- 5.1-1 Standard costs
- 5.1-2 Static budgets and variances
- 5.1-3 Flexible budgets and cost variances
- 5.1-4 Sales price variance
- 5.1-5 Manufacturing cost variances
- 5.1-6 Variance analysis with substitutable inputs
- 5.1-7 Standard (budgeted rate) absorption costing and standard variable costing
- 5.1-8 Investigating variances
- 5.1-9 Variance investigation and dashboards
- 5.1-10 Standard costing and journal entries

5.1-11 Variances and presentation of net income

TOPIC 5.2: REVENUE VARIANCES

5.2-1 Revenue-related variances

TOPIC 5.3: SUMMARY OF VARIANCE ANALYSIS

APPENDIX 1: COST VARIANCE FORMULAS

APPENDIX 2: REVENUE VARIANCE FORMULAS

WEEK 5 SUMMARY

WEEK 6: OVERVIEW

TOPIC 6.1: UNCERTAINTY

6.1-1 Decision-making under uncertainty

6.1-2 The elements of decision-making under uncertainty

6.1-3 Probability forms

6.1-4 Payoff tables

6.1-5 Modelling uncertainty in cost-volume-profit (CVP) analysis

6.1-6 Contracts and bidding under uncertainty

6.1-7 Decision analysis approach to investigating a variance

6.1-8 Big Data and uncertainty

6.1-9 Conclusion

TOPIC 6.2: RELEVANT COSTS

6.2-1 The sunk cost effect

6.2-2 Importance of both quantitative and qualitative analysis

6.2-3 Relevant cost applications

6.2-4 Make-or-buy decisions (outsourcing)

6.2-5 Add-or-drop decisions

6.2-6 Special order decisions

- 6.2-7 Sell-or-process-further decisions
- 6.2-8 Scarce resource allocation decisions
- 6.2-9 Theory of constraints
- 6.2-10 Problems with relevant costing
- 6.2-11 Conclusion

#### TOPIC 6.3: LINEAR PROGRAMMING

- 6.3-1 Linear programming and business decision-making
- 6.3-2 Linear programming components
- 6.3-3 The product mix problem
- 6.3-4 Building the linear program
- 6.3-5 Conclusion

#### TOPIC 6.4: TRANSFER PRICING

- 6.4-1 Potential interpersonal conflicts in transfer pricing
- 6.4-2 Approaches to setting the transfer price
- 6.4-3 Market price-based approaches
- 6.4-4 Cost-based approaches
- 6.4-5 Negotiated transfer prices
- 6.4-6 Other transfer prices
- 6.4-7 A general transfer pricing model
- 6.4-8 International transfer pricing

#### WEEK 6 SUMMARY

## CORPORATE FINANCE

Core course

### Prerequisites

Introductory Financial Accounting

Introductory Management Accounting

### Course description

This six-week course introduces you to finance concepts and provides you with essential knowledge of various tools used in corporate finance. You will examine the corporate financial environment and its impact on decision-making, introductory finance concepts (including the time value of money, investing and risk management) and distribution of earnings. In addition, you will look at capital budgeting techniques and short-, medium-, and long-term financing decisions.

### Grading and examination format

Item	Weight
Quizzes	12%
Assignments	18%
Exam	<u>70%</u>
Total	<u>100%</u>

Students must have a minimum of 50% on the exam with an overall mark on the course of 60% or higher. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

#### TOPIC 1.1: INTRODUCTION

- 1.1-1 Investment (capital budgeting)
- 1.1-2 Financing
- 1.1-3 Management of daily financial activities
- 1.1-4 Finance perspective on the financial statement

**TOPIC 1.2: FINANCIAL MARKETS**

- 1.2-1 Primary and secondary markets
- 1.2-2 Market efficiency and the efficient market hypothesis
- 1.2-3 Ethical use of non-traditional data

**TOPIC 1.3: MAJOR FINANCIAL SECURITIES**

- 1.3-1 Short-term securities
- 1.3-2 Long-term securities (bonds and debentures)
- 1.3-3 Equity securities (preferred and common shares)
- 1.3-4 Other equity securities
- 1.3-5 Advantages and disadvantages of debt versus equity securities

**TOPIC 1.4: INTEREST RATES**

- 1.4-1 Overview
- 1.4-2 The short-term risk-free real interest rate
- 1.4-3 Expected inflation
- 1.4-4 The term structure of interest rates
- 1.4-5 The risk premium

**TOPIC 1.5: MATHEMATICS OF FINANCE — THE TIME VALUE OF MONEY**

- 1.5-1 Interest
- 1.5-2 Annuities
- 1.5-3 Effective annual rate of interest

**WEEK 1 SUMMARY****SUMMARY OF FORMULAS****TOPIC 2.1: INTRODUCTION**

- 1.2-1 Overview
- 1.2-2 Required rate of return



1.2-3 Taxes and flotation costs

TOPIC 2.2: LONG-TERM DEBT

2.2-1 Pricing of long-term debt

2.2-2 Cost of long-term debt

TOPIC 2.3: PREFERRED SHARES

2.3-1 Pricing preferred shares

2.3-2 Cost of preferred shares

TOPIC 2.4: COMMON EQUITY

2.4-1 Pricing common equity

2.4-2 Cost of common equity

TOPIC 2.5: WEIGHTED AVERAGE COST OF CAPITAL

TOPIC 2.6: CAPITAL STRUCTURE CHOICE

2.6-1 Overview

2.6-2 Operating and financial leverage and business risk

2.6-3 Increased financial leverage and WACC

2.6-4 Determining the optimal capital structure

TOPIC 2.7: DIVIDENDS

2.7-1 The dividends process

2.7-2 Dividend policies

2.7-3 Share repurchase, stock dividends, and stock splits

APPENDIX: CONCEPTUAL METHOD FOR CALCULATING THE COST OF DEBT

WEEK 2 SUMMARY

SUMMARY OF FORMULAS

**TOPIC 3.1: THE CAPITAL-BUDGETING PROCESS**

## 3.1-1 Overview

## 3.1-2 Capital-budgeting analysis

**TOPIC 3.2: ESTIMATING A PROJECT'S CASH FLOWS****TOPIC 3.3: CAPITAL COST ALLOWANCE****TOPIC 3.4: NET PRESENT VALUE METHOD****TOPIC 3.5: PAYBACK PERIOD METHOD****TOPIC 3.6: INTERNAL RATE OF RETURN METHOD****TOPIC 3.7: COMPARING THE THREE CAPITAL-BUDGETING METHODS****TOPIC 3.8: WORKED EXAMPLES****WEEK 3 SUMMARY****SUMMARY OF FORMULAS****TOPIC 4.1: CAPITAL BUDGETING — AN OVERVIEW****TOPIC 4.2: NET PRESENT VALUE ILLUSTRATED****TOPIC 4.3: LEASE FINANCING**

## 4.3-1 Overview

## 4.3-2 Advantages of leasing

## 4.3-3 The net value to leasing calculation

**TOPIC 4.4: CAPITAL BUDGETING WITH MULTIPLE PROJECTS**

## 4.4-1 Capital rationing

## 4.4-2 Independent, mutually exclusive, and interdependent projects

**TOPIC 4.5: CAPITAL BUDGETING FOR INFORMATION TECHNOLOGY PROJECTS**

**TOPIC 4.6: CAPITAL BUDGETING AND PROJECT RISK**

- 4.6-1 Overview
- 4.6-2 Weighted average cost of capital
- 4.6-3 Risk-adjusted discount rates

**TOPIC 4.7: INTERNATIONAL CONSIDERATIONS****WEEK 4 SUMMARY****SUMMARY OF FORMULAS****TOPIC 5.1: INTRODUCTION****TOPIC 5.2: THE MANAGEMENT OF CASH AND MARKETABLE SECURITIES****TOPIC 5.3: THE MANAGEMENT OF ACCOUNTS RECEIVABLE, INVENTORY AND ACCOUNTS PAYABLE**

- 5.3-1 Overview
- 5.3-2 The management of accounts receivable
- 5.3-3 Inventory management
- 5.3-4 The management of accounts payable

**TOPIC 5.4: CASH CONVERSION CYCLE****TOPIC 5.5: FINANCING**

- 5.5-1 The need for financing
- 5.5-2 Basic principles of financing
- 5.5-3 Cyclical patterns and strategies for working capital management

**TOPIC 5.6: FINANCIAL PLANNING AND FORECASTING**

- 5.6-1 Goal of financial planning and forecasting
- 5.6-2 Cash flow projections
- 5.6-3 Profit and loss projections

**WEEK 5 SUMMARY****SUMMARY OF FORMULAS**

**TOPIC 6.1: OVERVIEW****TOPIC 6.2: FINANCIAL ANALYSIS**

- 6.2-1 Overview
- 6.2-2 Financial ratios
- 6.2-3 Vertical and horizontal analysis
- 6.2-4 Advantages and disadvantages of financial statement analysis
- 6.2-5 Comprehensive example
- 6.2-6 Visualization of ratio analysis using Power BI

**TOPIC 6.3: VALUATION**

- 6.3-1 Overview
- 6.3-2 Valuation approaches for businesses (and equity securities)

**TOPIC 6.4: CORPORATE FINANCE TRANSACTIONS**

- 6.4-1 Overview
- 6.4-2 Expansion
- 6.4-3 Divestiture
- 6.4-4 Taking the firm private
- 6.4-5 International considerations

**TOPIC 6.5: TREASURY RISK MANAGEMENT**

- 6.5-1 Introduction
- 6.5-2 Derivative financial securities
- 6.5-3 Forward and futures contracts
- 6.5-4 Options
- 6.5-5 Swaps
- 6.5-6 Securitization

## WEEK 6 SUMMARY

### SUMMARY OF FORMULAS

## **AUDIT AND ASSURANCE**

Details can be found in the [Audit and Assurance syllabus](#).

## **TAXATION**

Details can be found in the [Taxation syllabus](#).

## PERFORMANCE MANAGEMENT

Core course

### Prerequisites

Introductory Financial Accounting

Introductory Management Accounting

Intermediate Management Accounting

### Course description

This six-week course serves as an introductory performance management course in a business context. You examine the importance of governance and corporate social responsibility and the pivotal roles they play in strategy formulation and execution through the development, formulation, and implementation stages of strategy. The strategy-development stage takes the student through the process of environmental scanning and industry analysis and the development of corporate mission, vision, and values, while strategy formulation looks at types of strategies and the evaluation of strategic alternatives as well as the measurement of their performance. Finally, the strategy-implementation stage explores company characteristics and other factors that can positively or adversely affect the implementation of a strategy, including the management of change.

### Grading and examination format

Item	Weight
Quizzes	12%
Assignments	18%
Exam	<u>70%</u>
Total	<u>100%</u>

Students must have a minimum of 50% on the exam with an overall mark on the course of 60% or higher. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

#### TOPIC 1.1: GOVERNANCE ROLES AND RESPONSIBILITIES

- 1.1-1 Governance in different types of organizations
- 1.1-2 Governance structure

**TOPIC 1.2: THE ROLE OF GOVERNANCE IN MITIGATING THE PRINCIPAL-AGENT PROBLEM**

- 1.2-1 Agency theory in a governance context
- 1.2-2 Incentives and monitoring
- 1.2-3 Government oversight and regulation
- 1.2-4 External auditors' role in governance
- 1.2-5 Boards of directors — challenges and solutions
- 1.2-6 Board of directors — self-evaluation and renewal
- 1.2-7 Ethics and good governance

**TOPIC 1.3: CORPORATE SOCIAL RESPONSIBILITY**

- 1.3-1 The stakeholder model
- 1.3-2 Sustainable organizations — creating sustainable stakeholder value
- 1.3-3 Justifying CSR
- 1.3-4 Reporting on CSR compliance and risks
- 1.3-5 Incentives and monitoring of CSR reporting
- 1.3-6 Environmental management and reporting

**CONCLUSION****TOPIC 2.1: SETTING THE MISSION, VISION, VALUES, AND STRATEGIC OBJECTIVES**

- 2.1-1 Nature, role, and characteristics of statements
- 2.1-2 Developing the mission, vision, and values statements
- 2.1-3 Developing goals and strategic objectives

**TOPIC 2.2: ENVIRONMENTAL SCANNING AND INDUSTRY ANALYSIS**

- 2.2-1 Environmental scanning
- 2.2-2 The broader social environment — macro forces affecting organizations
- 2.2-3 Industry analysis



- 2.2-4 Internal analysis
- 2.2-5 Stakeholder analysis
- 2.2-6 Big data

#### TOPIC 2.3: TOOLS FOR ENVIRONMENTAL SCANNING AND INDUSTRY ANALYSIS

- 2.3-1 PESTEL
- 2.3-2 Industry and product life cycles
- 2.3-3 Porter's Five Forces
- 2.3-4 Value-chain analysis
- 2.3-5 Profit-pool analysis
- 2.3-6 Resources, capabilities, and core competency analysis
- 2.3-7 SWOT analysis

#### CONCLUSION

#### TOPIC 3.1: STRATEGY FORMULATION

- 3.1-1 Nature and benefits of strategic management
- 3.1-2 Levels of strategy in an organization
- 3.1-3 Strategies that support a customer value proposition
- 3.1-4 Strategic vehicles
- 3.1-5 Business strategies at different stages of an industry's life cycle
- 3.1-6 Alternative approaches to growth
- 3.1-7 Internationalism

#### TOPIC 3.2: STRATEGY IMPLEMENTATION

- 3.2-1 Implementing strategy
- 3.2-2 Organizational structures
- 3.2-3 Critical elements in successful strategy implementation

**TOPIC 3.3: STRATEGY EVALUATION**

- 3.3-1 Process and framework for strategy evaluation
- 3.3-2 Monitoring and evaluating the competitive environment
- 3.3-3 Strategic control
- 3.3-4 Using data analytics for external monitoring

**CONCLUSION****TOPIC 4.1: STRATEGIC CONTROL AND PERFORMANCE MEASUREMENT**

- 4.1-1 Strategic control
- 4.1-2 Design of a performance-measurement system
- 4.1-3 Motivating, evaluating, and rewarding individual performance
- 4.1-4 Policies, procedures, and codes of conduct
- 4.1-5 Role of corporate governance

**TOPIC 4.2: MANAGING RISK**

- 4.2-1 Risk-management process
- 4.2-2 Types of enterprise risk
- 4.2-3 Techniques for risk measurement and evaluation
- 4.2-4 Risk-response alternatives
- 4.2-5 Contingency planning

**TOPIC 4.3: MANAGEMENT REPORTING NEEDS AND SYSTEMS**

- 4.3-1 Governance over information systems
- 4.3-2 Systems design, acquisition, and development
- 4.3-3 Systems development methodologies
- 4.3-4 Systems acquisition processes
- 4.3-5 Project management principles for systems development projects

**CONCLUSION**

**TOPIC 5.1: TOOLS FOR STRATEGIC COST AND CAPACITY MANAGEMENT**

- 5.1-1 Target costing
- 5.1-2 Capacity resource planning
- 5.1-3 Outsourcing as a means to increase capacity and reduce costs

**TOPIC 5.2: IMPROVING EFFICIENCY AND EFFECTIVENESS**

- 5.2-1 Business process management
- 5.2-2 Business process re-engineering
- 5.2-3 Just-in-time production
- 5.2-4 Lean management
- 5.2-5 Customer relationship management
- 5.2-6 Enterprise resource planning

**TOPIC 5.3: QUALITY MANAGEMENT**

- 5.3-1 Quality control and quality assurance
- 5.3-2 Total quality management
- 5.3-3 Cost of quality
- 5.3-4 Quality measurement systems

**CONCLUSION****TOPIC 6.1: MONITORING TOOLS**

- 6.1-1 Management by objectives
- 6.1-2 Activity-based costing and activity-based management
- 6.1-3 Balanced scorecard
- 6.1-4 Strategy maps and executive dashboards

**TOPIC 6.2: RESPONSIBILITY ACCOUNTING**

- 6.2-1 Responsibility centres and controllability
- 6.2-2 Types of responsibility centres and performance reporting

TOPIC 6.3: RESPONSIBILITY ACCOUNTING AND PERFORMANCE IN  
NOT-FOR-PROFIT AND GOVERNMENT ORGANIZATIONS

6.3-1 Characteristics of NFPOs

6.3-2 A management control framework in NFPOs

CONCLUSION

## ECONOMICS

Non-core course

### Prerequisites

None

### Course description

Both microeconomics and macroeconomics play a role in business decisions and strategy formulation. Whether formulating strategy at the functional, business or corporate level, professional accountants must have a basic understanding of economics and the impact it has on business.

This course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors, and informed citizens judging government policies.

Microeconomics focuses on a cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity trade-offs, government versus market failures, environmental policies, and income/wealth distributions.

Macroeconomics focuses on the performance of market economies — measured by GDP growth, unemployment, and inflation — and appropriate roles for government monetary and fiscal policies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization, and trade policy.

### Resources

Cohen, Avi J., *Microeconomics for Life: Smart Choices for You*, 2<sup>nd</sup> edition (Pearson Canada, 2020) (includes in-text Study Guide)

Cohen, Avi J., *Macroeconomics for Life: Smart Choices for All?*, 2<sup>nd</sup> edition (Pearson Canada, 2020) (includes in-text Study Guide)

### Grading and examination format

The grade for this course is based 100% on the final examination. The total mark needed to pass the course is 50%. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

## Course outline

### ***Microeconomics***

- Chapter 1    What's in Economics for You? Scarcity, Opportunity Cost, Trade, and Models
- Chapter 2    Making Smart Choices: The Law of Demand
- Chapter 3    Show Me the Money: The Law of Supply
- Chapter 4    Coordinating Smart Choices: Demand and Supply
- Chapter 5    Just How Badly Do You Want It? Elasticity
- Chapter 6    What Gives When Prices Don't? Government Policy Choices
- Chapter 7    Finding the Bottom Line: Opportunity Costs, Economic Profits and Losses, and the Miracle of Markets
- Chapter 8    Pricing Power: Monopoly to Competition and In Between
- Chapter 9    Pricing for Profits: Marginal Revenue and Marginal Cost
- Chapter 10   When Markets Fail: Natural Monopoly, Gaming, Competition, and Government
- Chapter 11   Acid Rain on Others' Parade: Externalities, Carbon Taxes, Free Riders, and Public Goods
- Chapter 12   What Are You Worth? Inputs, Incomes, and Inequality

### ***Macroeconomics***

- Chapter 5    Are Your Smart Choices Smart for All? Macroeconomics and Microeconomics
- Chapter 6    Up Around the Circular Flow: GDP, Economic Growth, and Business Cycles
- Chapter 7    Costs of (Not) Working and Living: Unemployment and Inflation
- Chapter 8    Skating to Where the Puck is Going: Aggregate Supply and Aggregate Demand
- Chapter 9    Money is for Lunatics: Demanders and Suppliers of Money
- Chapter 10   Trading Dollars for Dollars? Exchange Rates and Payments with the Rest of the World

Chapter 11 Steering Blindly? Monetary Policy and the Bank of Canada

Chapter 12 Spending Other's Money: Fiscal Policy, Deficits, and National Debt

Chapter 13 Are Sweatshops All Bad? Globalization and Trade Policy

## STATISTICS

Non-core course

### Prerequisites

None

### Course description

The object of this course is to give you an understanding of the role of statistics in business and commerce. It will become clear how pervasive the use of statistics has become and how essential the basic concepts are to modern business practice. You will learn thoroughly the basics of data analysis and the fundamental notion of statistical inference. The statistics learned in this course will provide the knowledge necessary for you to apply the basic techniques in a wide variety of circumstances and, perhaps more importantly, will enable you to assess the legitimacy and significance of the many and varied reports that you will come across during your career.

The course will enable you to understand and analyze the future impact of decisions throughout an organization. It will give you the necessary knowledge, tools, and skills to analyze problems logically, carry out mathematical operations, and investigate issues scientifically.

### Resources

McClave, Benson, Sincich, *Statistics for Business and Economics*, Fourteenth Edition (Pearson, 2022)

### Grading and examination format

The grade for this course is based 100% on the final examination. The total mark needed to pass the course is 50%. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

- Chapter 1     Statistics, Data, and Statistical Thinking
- Chapter 2     Methods for Describing Sets of Data
- Chapter 3     Probability
- Chapter 4     Random Variables and Probability Distributions
- Chapter 5     Sampling Distributions



- Chapter 6 Inferences Based on a Single Sample: Estimation with Confidence Intervals
- Chapter 7 Inferences Based on a Single Sample: Tests of Hypotheses
- Chapter 8 Inferences Based on Two Samples: Confidence Intervals and Tests of Hypotheses
- Chapter 9 Design of Experiments and Analysis of Variance
- Chapter 10 Categorical Data Analysis
- Chapter 11 Simple Linear Regression
- Chapter 12 Multiple Regression and Model Building
- Chapter 13 Methods for Quality Improvement: Statistical Process Control
- Chapter 14 Time Series: Descriptive Analyses, Models, and Forecasting (except Forecasting Trends: Simple Linear Regression, Seasonal Regression Models, and Autocorrelation and the Durbin-Watson Test)

## BUSINESS LAW

Non-core course

### Prerequisites

None

### Course description

The purpose of this course is to furnish students with the necessary tools to avoid potential legal problems, to recognize those situations calling for legal expertise and to communicate more effectively with legal counsel. To that end, students are introduced to the Canadian legal system; tort law and professional liability; the principles of contract law; the law governing specific kinds of commercial contracts, including sales, insurance and employment; debtor and creditor relations; and forms of business organization — agency, sole proprietorship, partnership and incorporation.

### Resources

Yates, Richard et al., *Business Law in Canada*, Twelfth Edition (Pearson, 2020)

### Grading and examination format

The grade for this course is based 100% on the final examination. The total mark needed to pass the course is 50%. Please refer to the [Preparatory Courses Exam Blueprint](#) for details on the exam format and length. Note: an average of 65% across all **core prerequisite courses** is required for entry into the CPA PEP.

### Course outline

The Canadian legal system

Tort law, professional liability, and insurance

Formation of the contractual relationship

Interpreting the contract and terminating the contractual relationship

Business organizations: Agency and partnership

Business organizations: Corporations

Business relationships: Employment

Property rights

Business relationships: Sales and consumer protection; debtor and creditor relations

## INFORMATION TECHNOLOGY

Details can be found in the [Information Technology syllabus](#).