<table>
<thead>
<tr>
<th>CPA provincial/regional bodies</th>
<th>CPA Education contact information</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA Western School of Business</td>
<td>Email: <a href="mailto:preapplication@cpawsb.ca">preapplication@cpawsb.ca</a></td>
</tr>
<tr>
<td></td>
<td>Phone: 1.866.420.2350</td>
</tr>
<tr>
<td>CPA Ontario</td>
<td>Website: <a href="www.cpaontario.ca/contact-us">www.cpaontario.ca/contact-us</a></td>
</tr>
<tr>
<td></td>
<td>Phone: 1.800.387.0735</td>
</tr>
<tr>
<td>CPA Atlantic School of Business</td>
<td>Email: <a href="mailto:programs@cpaatlantic.ca">programs@cpaatlantic.ca</a></td>
</tr>
<tr>
<td></td>
<td>Phone: 902.334.1172</td>
</tr>
<tr>
<td>CPA Canada — International</td>
<td>Email: <a href="mailto:internationalinquiries@cpacanada.ca">internationalinquiries@cpacanada.ca</a></td>
</tr>
<tr>
<td>CPA Canada Toronto Head Office</td>
<td>Email: <a href="mailto:member.services@cpacanada.ca">member.services@cpacanada.ca</a></td>
</tr>
<tr>
<td></td>
<td>Phone: 416.977.0748 or 1.800.268.3793</td>
</tr>
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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. 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:

<table>
<thead>
<tr>
<th>Non-core courses</th>
<th>Introductory Financial Accounting</th>
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<td>Intermediate Financial Reporting 2</td>
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<td>Advanced Financial Reporting</td>
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<td></td>
<td>Intermediate Management Accounting</td>
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<tr>
<td></td>
<td>Performance Management</td>
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</table>

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-hours¹/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-hours¹/academic year)
- good character

¹ 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.

| 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


Grading

MyAccountingLab quizzes (4 quizzes, 5% each) 20%
Final examination (3 hours) 80%

100%

Quizzes grades are based on the marks you receive. The total mark needed to pass the course is 50% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline

Chapter 1: The Financial Statements

• Explain why accounting is the language of business.
• Explain accounting’s conceptual framework and underlying assumptions.
• Describe the purpose of each financial statement and explain the elements of each one.
• Explain the relationships among the financial statements.
• Make ethical business decisions.
Chapter 2: Recording Business Transactions

- Describe common types of accounts.
- Record the impact of business transactions on the accounting equation.
- Record business transactions in T-accounts.
- Record business transactions in the journal and post them to the ledger.
- Prepare a trial balance.

Chapter 3: Accrual Accounting and the Financial Statements

- Explain how accrual accounting differs from cash-basis accounting.
- Apply the revenue and expense-recognition principles.
- Record adjusting journal entries.
- Prepare the financial statements.
- Record closing journal entries.
- Analyze and evaluate a company’s debt-paying abilities.

Chapter 4: Internal Control and Cash

- Describe fraud and its impact.
- Explain the objectives and components of internal control.
- Prepare and use a bank reconciliation.
- Apply internal control to cash receipts and cash payments.
- Construct and use a budget to manage cash.

Chapter 5: Short-Term Investments and Receivables

- Account for short-term investments.
- Account for and control receivables.
- Estimate and account for uncollectable accounts receivable.
- Account for notes receivable.
- Explain how to improve cash flow from sales and receivables.
- Evaluate a company’s liquidity.

Chapter 6: Inventory and Cost of Goods Sold

- Account for inventory using the perpetual and periodic inventory systems.
- Explain and apply three inventory costing methods.
• Explain how accounting standards apply to inventory.
• Analyze and evaluate gross profit and inventory turnover.
• Use the cost of goods sold (COGS) model.
• Analyze how inventory errors affect the financial statements.

Chapter 7: Property, Plant, and Equipment, and Intangible Assets
• Describe the types of tangible and intangible assets a business may own.
• Measure and account for the cost of property, plant, and equipment.
• Calculate and record depreciation on property, plant, and equipment.
• Explain additional topics in accounting for long-lived assets.
• Account for intangible assets.
• Analyze and evaluate a company’s return on assets.
• Interpret tangible and intangible asset activities on the statement of cash flows.

Chapter 8: Long-Term Investments and the Time Value of Money
• Analyze and report non-strategic investments.
• Analyze and report investments in affiliated companies using the equity method.
• Analyze and report controlling interests in other corporations using consolidated financial statements.
• Analyze and report long-term investments in bonds.
• Report investing activities on the statement of cash flows.
• Explain the impact of the time value of money on certain types of investments.

Chapter 9: Liabilities
• Explain and account for current liabilities.
• Explain the types, features, and pricing of bonds payable.
• Account for bonds payable.
• Calculate and account for interest expense on bonds payable.
• Explain the advantages and disadvantages of financing with debt versus equity.
• Analyze and evaluate a company’s debt-paying ability.
• Describe other types of long-term liabilities.
• Report liabilities on the balance sheet.
Chapter 10: Shareholders’ Equity

- Explain the main features of a corporation.
- Account for the issuance of shares.
- Explain why a company repurchases shares.
- Account for retained earnings, dividends, and stock splits.
- Distinguish between fair value and book value per share.
- Evaluate a company’s return on equity using DuPont analysis.
- Evaluate equity transactions and events in the financial statements.

Chapter 11: The Income Statement, the Statement of Comprehensive Income and the Statement of Shareholders’ Equity

- Evaluate the quality of earnings.
- Account for other items on the income statement.
- Compute earnings per share.
- Analyze the statement of comprehensive income and the statement of changes in shareholders’ equity.
- Differentiate between management’s and the auditor’s responsibilities in financial reporting.

Chapter 12: The Statement of Cash Flows

- Explain the uses of the statement of cash flows.
- Explain and classify cash flows from operating, investing, and financing activities.
- Prepare a statement of cash flows using the indirect method of determining cash flows from operating activities.

Chapter 13: Financial Statement Analysis

- Perform a horizontal analysis of financial statements.
- Perform a vertical analysis of financial statements.
- Prepare common-size financial statements.
- Use the statement of cash flows in decision-making.
- Use ratios to make business decisions.
INTERMEDIATE FINANCIAL REPORTING 1

Core course

Prerequisites

Introductory Financial Accounting
Introductory Management Accounting

Course description

This six-week course builds on the introductory financial accounting skills that you acquired in Introductory Financial Accounting. It primarily focuses on the assets side of the statement of financial position.

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

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The total mark needed to pass this course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline

TOPIC 1.1: INTRODUCTION

1.1-1 Prerequisite knowledge
1.1-2 Structure of course materials
TOPIC 1.2: ACCOUNTING STANDARDS IN CANADA

1.2-1 Generally accepted accounting principles
1.2-2 Development of new and revised accounting standards
1.2-3 Effect of legislation on accounting standards

TOPIC 1.3: THE CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING

1.3-1 Components of the IFRS Conceptual Framework for Financial Reporting
1.3-2 Users of financial reporting
1.3-3 Objectives of financial reporting
1.3-4 Fundamental qualitative characteristics
1.3-5 Enhancing qualitative characteristics
1.3-6 The cost constraint (cost versus benefit)
1.3-7 Underlying assumption — going concern
1.3-8 Capital maintenance
1.3-9 The elements of financial statements
1.3-10 Measurement of the elements of financial statements

TOPIC 1.4: THE ASPE FRAMEWORK

1.4-1 ASPE framework contrasted with IFRS conceptual framework

TOPIC 1.5: FINANCIAL STATEMENTS

1.5-1 Required financial statements — ASPE
1.5-2 Financial statements — general requirements
1.5-3 Statement of financial position
1.5-4 The statement of profit or loss and other comprehensive income
   (statement of comprehensive income)
1.5-5 Statement of changes in equity
1.5-6 Events after the reporting period (subsequent events)

TOPIC 1.6: ACCOUNTING INFORMATION SYSTEMS AND INFORMATION TECHNOLOGY

1.6-1 Systems concepts — the people, hardware, software, data, networks, and processes that make up the information system
1.6-2 Systems theory — how businesses use information systems and business processes to gain a competitive advantage
1.6-3 The value of information and information systems to organizations — alignment with organizational strategy
1.6-4 Data information and modelling — determining user information requirements
1.6-5 Systems life cycle — acquisition and customization versus in-house development (buy versus build)
TOPIC 1.6: Important considerations for using AISs
  1.6-1 Current trends in computerized AISs

TOPIC 1.7: ETHICS

TOPIC 1.8: THE ACCOUNTING CYCLE

TOPIC 2.1: GOVERNING STANDARDS

TOPIC 2.2: REVENUE RECOGNITION

  2.2-1 Revenue recognition — general criteria
  2.2-2 Initial and subsequent measurement
  2.2-3 Multiple performance obligations (deliverables)
  2.2-4 Principal-agent arrangements
  2.2-5 Consignment arrangements
  2.2-6 Bill-and-hold arrangements

TOPIC 2.3: CASH AND CASH EQUIVALENTS

TOPIC 2.4: ACCOUNTS RECEIVABLE

  2.4-1 Recognition
  2.4-2 Initial measurement
  2.4-3 Subsequent measurement
  2.4-4 Allowance for doubtful accounts
  2.4-5 Derecognition of accounts receivable
  2.4-6 Presentation and disclosure

TOPIC 3.1: REVENUE RECOGNITION — CONTINUED

  3.1-1 Revenue recognition — construction contracts
  3.1-2 Revenue recognition under ASPE
  3.1-3 Presentation and disclosure

TOPIC 3.2: CASH AND INTERNAL CONTROL

  3.2-1 Bank reconciliations

TOPIC 3.3: NON-TRADE RECEIVABLES — OTHER RECEIVABLES

TOPIC 3.4: NON-TRADE RECEIVABLES — NOTES RECEIVABLE

  3.4-1 Recognition
  3.4-2 Initial measurement
  3.4-3 Subsequent measurement — IFRSs
3.4-4 Subsequent measurement — ASPE
3.4-5 Interest rate conventions
3.4-6 Derecognition
3.4-7 Presentation and disclosure

TOPIC 3.5: INVENTORY

3.5-1 Inventory systems
3.5-2 Initial measurement
3.5-3 Subsequent measurement
3.5-4 Recognition as an expense using cost formulas (derecognition)
3.5-5 Cost formula and cash flow
3.5-6 Methods of estimating inventory
3.5-7 Inventory errors
3.5-8 Presentation and disclosure

TOPIC 4.1: PROPERTY, PLANT, AND EQUIPMENT

4.1-1 Recognition (PPE)
4.1-2 Initial measurement (PPE)
4.1-3 Subsequent measurement (PPE) — replacements versus repairs
4.1-4 Subsequent measurement (PPE) — cost and revaluation models
4.1-5 Subsequent measurement (PPE) — depreciation and depletion
4.1-6 Derecognition (PPE)
4.1-7 Disclosure (PPE)

TOPIC 4.2: INTANGIBLE ASSETS

4.2-1 Recognition (intangible assets)
4.2-2 Initial measurement (intangible assets)
4.2-3 Subsequent measurement (intangibles) — costs and revaluation models
4.2-4 Derecognition (intangible assets)
4.2-5 Disclosure (intangible assets)

TOPIC 4.3: GOODWILL

TOPIC 4.4: IMPAIRMENT

4.4-1 Recoverable amount
4.4-2 Recognition of an impairment loss — individual asset
4.4-3 Recognition of an impairment loss — CGU
4.4-4 Reversal of impairment losses
4.4-5 Disclosure — impairments
4.4-6 Impairment — ASPE
TOPIC 4.5: NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

4.5-1 Recognition
4.5-2 Initial measurement
4.5-3 Subsequent measurement
4.5-4 Derecognition
4.5-5 Presentation and disclosure — non-current assets held for sale and discontinued operations
4.5-6 Accounting for abandoned assets

TOPIC 4.6: GOVERNMENT GRANTS

4.6-1 Recognition
4.6-2 Initial measurement
4.6-3 Subsequent measurement
4.6-4 Derecognition
4.6-5 Presentation and disclosure — accounting for government grants and disclosure of government assistance

APPENDIX: CONTINUITY SCHEDULE FOR DEPRECIABLE ASSETS

TOPIC 5.1: GOVERNING STANDARDS

TOPIC 5.2: PASSIVE INVESTMENTS IN FINANCIAL ASSETS

5.2-1 Financial assets — exclusions from IFRS 9
5.2-2 Recognition — financial assets
5.2-3 Classification — financial assets
5.2-4 Initial measurement — financial assets
5.2-5 Subsequent measurement — financial assets
5.2-6 Subsequent measurement — impairment
5.2-7 Reclassification of financial assets
5.2-8 Derecognition of financial assets
5.2-9 Presentation and disclosure

TOPIC 5.3: FINANCIAL ASSETS — ASPE

TOPIC 6.1: STATEMENT OF CASH FLOWS — INTRODUCTION

6.1-1 Purpose of the statement of cash flows
6.1-2 Governing standards
6.1-3 Cash and cash equivalents
TOPIC 6.2: CLASSIFICATION OF CASH FLOWS

6.2-1 Operating activities
6.2-2 Investing activities
6.2-3 Financing activities
6.2-4 Classification alternatives for certain cash flows
6.2-5 Non-cash transactions

TOPIC 6.3: PREPARING A STATEMENT OF CASH FLOWS

6.3-1 Differences between the direct and indirect methods of presentation
6.3-2 Preparing a statement of cash flows using the indirect method
6.3-3 Preparing a statement of cash flows using the direct method

TOPIC 6.4: EFFECTS OF SPECIFIC ITEMS ON THE STATEMENT OF CASH FLOWS

6.4-1 Discontinued operations
6.4-2 Discounts and premiums on financial assets and liabilities
6.4-3 Investments in associates and joint ventures
6.4-4 Investments at FVPL
6.4-5 Investments at FVOCI
6.4-6 Investments included in cash and cash equivalents

TOPIC 6.5: COMPREHENSIVE EXAMPLE

TOPIC 6.6: PRESENTATION AND DISCLOSURE

TOPIC 6.7: CASH FLOW STATEMENT — ASPE
INTERMEDIATE FINANCIAL REPORTING 2
Core course

Prerequisites
Intermediate Financial Reporting 1
Introductory Financial Accounting
Introductory Management Accounting

Course description

Intermediate Financial Reporting 2 is an intermediate-level course that focuses on the liabilities and equities side of the statement of financial position along with topics such as accounting for income taxes, leases, employee benefits, earnings per share, and accounting changes.

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
Quizizzes 12%
Assignments 18%
Exam 70%
100%

The total grade needed to pass the course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline
TOPIC 1.1: INTRODUCTION
1.1-1 Prerequisite knowledge
1.1-2 Structure of course materials
1.1-3 Financial calculators
1.1-4 Governing standards
TOPIC 1.2: LIABILITIES
   1.2-1 Liabilities — definition
   1.2-2 Types of liabilities

TOPIC 1.3: GOVERNING STANDARDS
   1.3-1 Financial liabilities — exclusions from IFRS 9

TOPIC 1.4: RECOGNITION

TOPIC 1.5: FINANCIAL LIABILITIES THROUGH PROFIT OR LOSS — IFRS 9

TOPIC 1.6: OTHER FINANCIAL LIABILITIES — IFRS 9
   1.6-1 Initial and subsequent measurement — other financial liabilities
   1.6-2 Other financial liabilities — select transaction types
   1.6-3 Other financial liabilities — bonds

TOPIC 1.7: DERECOGNITION OF FINANCIAL LIABILITIES — IFRS 9

TOPIC 1.8: SUMMARY — IFRS 9

TOPIC 1.9: FINANCIAL LIABILITIES — ASPE

TOPIC 1.10: NON-FINANCIAL LIABILITIES — IAS 37
   1.10-1 Initial and subsequent measurement
   1.10-2 Other non-financial liabilities — select transaction types
   1.10-3 Commitments (onerous contracts)
   1.10-4 Derecognition of non-financial liabilities — IAS 37

TOPIC 1.11: CONTINGENCIES — IAS 37
   1.11-1 Contingent assets
   1.11-2 Contingent liabilities
   1.11-3 Contingencies — ASPE

TOPIC 1.12: PRESENTATION AND DISCLOSURE
   1.12-1 Current and non-current liabilities
   1.12-2 Required disclosure
TOPIC 1.13: INFORMATION TECHNOLOGY (IT)

1.13-1 Using IT to provide information required to prepare financial statements
1.13-2 Social responsibilities arising from information systems
1.13-3 Safeguarding private information

APPENDIX A: GLOSSARY OF TERMS
APPENDIX B: TIME VALUE OF MONEY
APPENDIX C: EXPECTED VALUES
APPENDIX D: PROFESSIONAL JUDGMENT QUESTIONS

WEEK 1 SUMMARY

TOPIC 2.1: SHAREHOLDERS' EQUITY

TOPIC 2.2: GOVERNING STANDARDS

TOPIC 2.3: CONTRIBUTED CAPITAL

2.3-1 Share capital — authorized, issued, and outstanding
2.3-2 Classes of shares
2.3-3 Issuance (sale) of shares — recognition
2.3-4 Issuance (sale) of shares— initial and subsequent measurement
2.3-5 Derecognition — reacquisition of shares

TOPIC 2.4: RETAINED EARNINGS

2.4-1 Dividends — description
2.4-2 Dividends — dates
2.4-3 Dividends — types
2.4-4 Dividends — cumulative and non-cumulative

TOPIC 2.5: RESERVES — ACCUMULATED OTHER COMPREHENSIVE INCOME

TOPIC 2.6: STATEMENT OF CHANGES IN EQUITY

TOPIC 2.7: COMPLEX FINANCIAL INSTRUMENTS

TOPIC 2.8: DERIVATIVES

2.8-1 Forwards and futures
2.8-2 Swaps
2.8-3 Options
TOPIC 2.9: STOCK-BASED COMPENSATION PLANS

2.9-1 Terminology
2.9-2 Employee stock option plans — equity settled
2.9-3 Stock appreciation rights — cash settled
2.9-4 Stock appreciation rights — equity-settled and multiple-settlement options
2.9-5 Stock-based compensation plans — ASPE

TOPIC 2.10: COMPOUND FINANCIAL INSTRUMENTS

2.10-1 Recognition and initial measurement
2.10-2 Subsequent measurement
2.10-3 Derecognition
2.10-4 Compound financial instruments — ASPE

TOPIC 2.11: PRESENTATION AND DISCLOSURE

2.11-1 Financial liabilities
2.11-2 Equity instruments and share-based payments

APPENDIX: GLOSSARY OF TERMS

WEEK 2 SUMMARY

TOPIC 3.1: ACCOUNTING FOR INCOME TAXES — AN INTRODUCTION

TOPIC 3.2: GOVERNING STANDARDS

TOPIC 3.3: INTERPERIOD AND INTRAPERIOD TAX ALLOCATION

TOPIC 3.4: INCOME TAXATION BASICS

3.4-1 Restrictions and deductions for inclusion in taxable income
3.4-2 Capital cost allowance (CCA)

TOPIC 3.5: RECOGNITION AND INITIAL MEASUREMENT — CURRENT INCOME TAX EXPENSE

3.5-1 Permanent differences
3.5-2 Temporary differences and timing differences
3.5-3 Calculating current income tax expense
### TOPIC 3.6: RECOGNITION AND INITIAL MEASUREMENT — DEFERRED INCOME TAX EXPENSE

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### TOPIC 3.7: SUBSEQUENT MEASUREMENT — DEFERRED TAXES

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### TOPIC 3.8: ACCOUNTING FOR TAX LOSSES

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<td>3.8-3</td>
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### TOPIC 3.9: PRESENTATION AND DISCLOSURE — DIT ACCOUNTS

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<tr>
<td>3.9-1</td>
<td>Statement of financial position — interperiod tax allocation</td>
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<td>3.9-2</td>
<td>Statement of comprehensive income — interperiod tax allocation</td>
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<tr>
<td>3.9-3</td>
<td>Statement of comprehensive income — intraperiod tax allocation</td>
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### TOPIC 3.10: DISCLOSURE OF THE EFFECTS OF CHANGES IN TAX RATES

### TOPIC 3.11: INSTALMENT PAYMENTS

### TOPIC 3.12: SUBSTANTIVE DIFFERENCES BETWEEN IFRS AND ASPE

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<td>3.12-1</td>
<td>Recognition and initial measurement — taxes payable method</td>
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### TOPIC 3.13: COMPREHENSIVE EXAMPLE

### APPENDIX: GLOSSARY OF TERMS

### WEEK 3 SUMMARY

### TOPIC 4.1: ACCOUNTING FOR LEASES — AN INTRODUCTION

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<td>4.1-1</td>
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<td>4.1-2</td>
<td>Tax implications of leasing</td>
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<tr>
<td>4.1-3</td>
<td>Governing standards for leases</td>
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</table>

### TOPIC 4.2: ACCOUNTING FOR LEASES — OVERVIEW
TOPIC 4.3: LEASE CLASSIFICATION — LESSOR

TOPIC 4.4: LESSOR’S ACCOUNTING FOR OPERATING LEASES

TOPIC 4.5: LESSOR’S ACCOUNTING FOR FINANCE LEASES
- 4.5-1 Nature of the finance lease offered by the lessor
- 4.5-2 Net investment in the lease
- 4.5-3 Calculating lease payments
- 4.5-4 Recognition and initial measurement
- 4.5-5 Subsequent measurement
- 4.5-6 Derecognition

TOPIC 4.6: LESSOR’S PRESENTATION AND DISCLOSURE OF LEASES

TOPIC 4.7: LESSEE’S ACCOUNTING FOR LEASES
- 4.7-1 Recognition and initial measurement
- 4.7-2 Subsequent measurement — ROU assets
- 4.7-3 Subsequent measurement — lease liability
- 4.7-4 Practical expedients
- 4.7-5 Derecognition — ROU assets and lease liabilities
- 4.7-6 Lessee’s accounting for leases — comprehensive example

TOPIC 4.8: LESSEE’S PRESENTATION AND DISCLOSURE OF LEASES

TOPIC 4.9: ACCOUNTING FOR SALE AND LEASEBACK TRANSACTIONS
- 4.9-1 Does the transfer of assets represent a sale?
- 4.9-2 Accounting for a sale and leaseback transaction that is not a sale
- 4.9-3 Accounting for a sale and leaseback transaction that is a sale

TOPIC 4.10: SUBSTANTIVE DIFFERENCES BETWEEN IFRS AND ASPE — LEASES

TOPIC 4.11: ACCOUNTING FOR PENSION PLANS AND OTHER EMPLOYEE FUTURE BENEFITS — AN INTRODUCTION
- 4.11-1 Advantages and disadvantages of benefit packages

TOPIC 4.12: GOVERNING STANDARDS

TOPIC 4.13: ACCOUNTING FOR SHORT-TERM EMPLOYEE BENEFITS AND OTHER LONG-TERM EMPLOYEE BENEFITS
- 4.13-1 Short-term employee benefits
- 4.13-2 Other long-term employee benefits
TOPIC 4.14: ACCOUNTING FOR PENSION PLANS — OVERVIEW

4.14-1 Overview of pension plans
4.14-2 Types of pension plans

TOPIC 4.15: ACCOUNTING FOR DEFINED CONTRIBUTION PLANS

4.15-1 Recognition and measurement
4.15-2 Disclosure of defined contribution plans

TOPIC 4.16: ACCOUNTING FOR DEFINED BENEFIT PLANS

4.16-1 Preamble
4.16-2 Recognition and measurement — pension expense
4.16-3 Journal entries to record pension expense
4.16-4 Summary
4.16-5 Additional complexities in accounting for defined benefit plans

TOPIC 4.17: PRESENTATION AND DISCLOSURE

TOPIC 4.18: SUBSTANTIVE DIFFERENCES BETWEEN IFRS AND ASPE — EMPLOYEE BENEFITS

4.18-1 Other long-term employee benefits
4.18-2 Defined contribution plans
4.18-3 Defined benefit plans

APPENDIX A: GLOSSARY OF TERMS — LEASES
APPENDIX B: GLOSSARY OF TERMS — PENSION PLANS

WEEK 4 SUMMARY

TOPIC 5.1: EARNINGS PER SHARE — INTRODUCTION

TOPIC 5.2: GOVERNING STANDARDS

5.2-1 Substantive differences between IFRS and ASPE — EPS

TOPIC 5.3: EPS MEASUREMENT — BASIC

5.3-1 Basic earnings per share — earnings
5.3-2 Basic earnings per share — shares
TOPIC 5.4  EPS MEASUREMENT — DILUTED

5.4-1  Step 1: Ascertain all potential common shares
5.4-2  Step 2: Calculate incremental EPS for each potential common share
5.4-3  Step 3: Order the incremental EPS
5.4-4  Step 4: Determine diluted EPS

TOPIC 5.5:  EPS MEASUREMENT — COMPLICATING FACTORS

5.5-1  Contingently issuable shares
5.5-2  Continuing and discontinued operations
5.5-3  Convertible bonds issued at a premium or discount
5.5-4  Correction of errors and changes in accounting policy
5.5-5  Dilutive EPS when basic EPS is negative
5.5-6  Other comprehensive income
5.5-7  PCS issued, redeemed, expired, or converted during the period
5.5-8  PCS with more than one conversion option
5.5-9  Stock splits and stock dividends after year end but before the financial statements are authorized for issue

TOPIC 5.6:  EPS PRESENTATION AND DISCLOSURE

5.6-1  Presentation
5.6-2  Disclosure

TOPIC 5.7:  ACCOUNTING CHANGES — INTRODUCTION

TOPIC 5.8:  GOVERNING STANDARDS

TOPIC 5.9:  SELECTION OF ACCOUNTING POLICIES

5.9-1  In the absence of an applicable IFRS
5.9-2  Disclosure of accounting policies

TOPIC 5.10:  METHODS OF ACCOUNTING FOR ACCOUNTING CHANGES

5.10-1  Retrospective adjustments
5.10-2  Prospective adjustments

TOPIC 5.11:  DETERMINING THE NATURE OF THE ACCOUNTING CHANGE

TOPIC 5.12:  ACCOUNTING FOR CHANGES IN ACCOUNTING POLICY

5.12-1  Acceptable reasons for changes in accounting policy
5.12-2  Accounting for a voluntary change in accounting policy
5.12-3  Accounting for a change in accounting policy required by IFRS
5.12-4  Disclosure related to a change in accounting policy
TOPIC 5.13: ACCOUNTING FOR CHANGES IN ESTIMATES

5.13-1 Disclosure related to a change in estimate

TOPIC 5.14: ACCOUNTING FOR PRIOR PERIOD ERRORS

5.14-1 Disclosure related to the correction of prior period errors

TOPIC 5.15: SUBSTANTIVE DIFFERENCES BETWEEN IFRS AND ASPE — ACCOUNTING CHANGES

APPENDIX: GLOSSARY OF TERMS

WEEK 5 SUMMARY

TOPIC 6.1: STATEMENT OF CASH FLOWS

6.1-1 Governing standards
6.1-2 Foreign currency cash flows
6.1-3 Contingent liabilities and assets
6.1-4 Decommissioning obligations
6.1-5 Property dividends
6.1-6 Compound financial instruments
6.1-7 Deferred tax expense
6.1-8 Leases
6.1-9 Pensions
6.1.10 Using information technology to facilitate the preparation of the statement of cash flows

TOPIC 6.2: FINANCIAL STATEMENT USERS

TOPIC 6.3: INTERIM FINANCIAL REPORTING

6.3-1 Introduction and governing standards
6.3-2 Recognition and measurement
6.3-3 Presentation
6.3-4 Disclosure
6.3-5 Substantive differences between IFRS and ASPE — Interim financial reporting

TOPIC 6.4: MANAGEMENT DISCUSSION AND ANALYSIS

6.4-1 Introduction and governing standards
6.4-2 Why is MD&A required?
6.4-3 Objectives of the MD&A
6.4-4 Recommended practice
6.4-5 Substantive differences between IFRS and ASPE — MD&A
TOPIC 6.5: FINANCIAL STATEMENT ANALYSIS

6.5-1 Introduction and governing standards
6.5-2 Ratio analysis and benchmarking
6.5-3 Vertical and horizontal analysis
6.5-4 Pro forma financial statements

APPENDIX: GLOSSARY OF TERMS

WEEK 6 SUMMARY
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
Quizzes 12%
Assignments 18%
Exam 70%
100%

The total mark needed to pass this course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline
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 ACQUISITION DIFFERENTIAL

1.10-1 Identifying the acquirer
1.10-2 Determining the acquisition date
1.10-3 Initial measurement of the identifiable net assets acquired
1.10-4 Recognition and initial measurement of NCI and goodwill

TOPIC 1.11: ACQUISITION DIFFERENTIAL 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: 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 NOT-FOR-PROFIT ORGANIZATIONS

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, third Canadian Edition (Pearson, 2018)

Grading
MyAccountingLab quizzes (4 quizzes, 5% each) 20%
Final examination (3 hours) 80%
100%

Quizzes grades are based on the marks you receive. The total grade needed to pass this course is 50% (with an average of 65% across all prerequisite courses 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?
Appendix 3B: Segmented statements

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

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The total mark needed to pass this course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline

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

WEEK 1 SUMMARY

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

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

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

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

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 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
Quizzes 12%
Assignments 18%
Exam 70%
100%

The total mark needed to pass this course is 60% (with an average of 65% across all core prerequisite courses 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

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 MATHEMATICALS 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 and disadvantages 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 (IT)

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 4.6: 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 Limitations of financial statement analysis
6.2-5 Comprehensive example

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
Core course

Prerequisites
Introductory Financial Accounting
Introductory Management Accounting
Intermediate Financial Reporting 1
Intermediate Financial Reporting 2

Course description
The goal of Audit and Assurance is to assist you in developing the professional competence and skills that will enable you to understand the requirements of audit and assurance. This six-week course will also help to develop your ability to assess a situation, identify issues and alternatives, and formulate recommendations using application of technical knowledge, and ethical and professional judgment.

You will develop and strengthen your:

- technical knowledge of issues in audit and assurance
- ability as a professional to exercise professional skepticism and focus clearly on the interests of your clients, both internal and external
- ability as a professional to conduct yourself in a manner worthy of the trust of the public, your clients and your employers and colleagues, and in a manner that enhances the ethical reputation of the accounting profession
- application of a systematic methodology in solving a range of problems

Resources
Students will be given access to Knotia, which contains a collection of standards, rules, and guidelines published by CPA Canada. Although this is not required reading for the course, 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 – Assurance for audit and other assurance services. These include Canadian Auditing Standards (CASs), which have been adopted from International Standards on Auditing (ISAs). The CASs are issued by the Auditing and Assurance Standards Board (AASB).

Grading
Quizzes 12%
Assignments 18%
Exam 70%
100%
The total mark needed to pass the course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline

TOPIC 1.1: BASIC CONCEPTS OF ASSURANCE

1.1-1 Assurance engagements
1.1-2 The economic purpose of an audit
1.1-3 The role of the auditor
1.1-4 The expectations gap

TOPIC 1.2: AUDITING STANDARDS AND REGULATIONS

1.2-1 Canadian assurance standards
1.2-2 Monitoring the auditing profession
1.2-3 Implications of increased regulation for assurance engagements

TOPIC 1.3: RULES OF PROFESSIONAL CONDUCT, ETHICAL STANDARDS AND LEGAL CONSIDERATIONS

1.3-1 Rules of professional conduct
1.3-2 Ethical standards
1.3-3 Legal considerations

APPENDIX: THE RISK-BASED AUDIT APPROACH

TOPIC 2.1: ACCEPTANCE AND CONTINUANCE

2.1-1 Obtaining an audit engagement
2.1-2 Acceptance risks
2.1-3 Acceptance and continuance procedures
2.1-4 Continuance
2.1-5 Independence-threat responses
2.1-6 Engagement letters

TOPIC 2.2: PLANNING

2.2-1 The purpose of planning
2.2-2 Obtaining an understanding of the entity and its environment
2.2-3 Materiality
2.2-4 Audit risk
2.2-5 Potential areas of misstatement
2.2-6 Risk assessment techniques
2.2-7 Developing a response to assessed risks
2.2-8 Documentation and communication
TOPIC 2.3: PLANNING — SPECIFIC MATTERS TO CONSIDER

2.3-1 Going concern
2.3-2 Fraud
2.3-3 Laws and regulations
2.3-4 Related parties
2.3-5 Service organizations
2.3-6 Using the work of an expert
2.3-7 Using the work of internal audit

APPENDIX: SAMPLE AUDIT STRATEGY MEMORANDUM

TOPIC 3.1: INTRODUCTION TO INTERNAL CONTROLS

3.1-1 Control activities
3.1-2 Common controls for transactions

TOPIC 3.2: INFORMATION SYSTEMS

3.2-1 Overview
3.2-2 Information systems controls
3.2-3 General controls
3.2-4 Application controls
3.2-5 Data life cycle
3.2-6 Digital payments

TOPIC 3.3: CONTROL FRAMEWORKS

3.3-1 Overview of control frameworks
3.3-2 Components of internal control
3.3-3 Key internal controls
3.3-4 Understanding internal controls
3.3-5 Practical examples of accounting systems
3.3-6 Assessing controls

TOPIC 3.4: PAYROLL AND INVENTORY TESTS OF CONTROL

3.4-1 Examples of controls and tests
3.4-2 IT considerations
3.4-3 Computer-assisted audit techniques
3.4-4 Implications on remaining audit approach

APPENDIX 1: SAMPLE DOCUMENTS FOR THE SALES SYSTEM
APPENDIX 2: SAMPLE DOCUMENTS FOR THE PURCHASING SYSTEM
TOPIC 4.1:  INTRODUCTION TO AUDIT PROCEDURES

4.1-1  Audit evidence
4.1-2  Sampling
4.1-3  Substantive analytical procedures
4.1-4  Preparing for year-end fieldwork

TOPIC 4.2:  SUBSTANTIVE TESTING

4.2-1  Developing substantive procedures
4.2-2  Common balance sheet accounts
4.2-3  Common income statement accounts
4.2-4  Estimates
4.2-5  Other accounts for testing

APPENDIX 1:  CLD LTD.
APPENDIX 2:  SAMPLE AUDIT PROGRAMS FOR COMMON ACCOUNTS

TOPIC 5.1:  AUDIT COMPLETION

5.1-1  Documentation
5.1-2  Completion procedures
5.1-3  Evaluation of audit evidence
5.1-4  Management representations
5.1-5  Communicating with management and those charged with governance
5.1-6  Internal completion documents

TOPIC 5.2:  AUDIT QUALITY

5.2-1  Quality control over the audit engagement

TOPIC 5.3:  AUDITOR’S REPORT

5.3-1  Reporting

TOPIC 6.1:  OTHER TYPES OF ENGAGEMENTS

6.1-1  Key process stages
6.1-2  Acceptance and continuance
6.1-3  Planning and risk assessment
6.1-4  Execution
6.1-5  Completion and reporting
6.1-6  Types of engagements
6.1-7  Comparing assurance and non-assurance engagements
TAXATION
Core course

Prerequisites
Intermediate Financial Reporting 1
Intermediate Financial Reporting 2

Course description
Taxation is a six-week course that covers the fundamental principles and concepts of Canadian federal income tax legislation. The course emphasizes an understanding of the conceptual structure of the *Income Tax Act* and equips students with the skills needed to apply its rules to practical cases. Topics include the concepts of income and liability for tax; income from employment, business, and property; shareholder benefits; deductions; capital gains and losses; computation of taxable income for individuals and corporations; tax planning; and international taxation.

The objective of this course is to develop and strengthen your technical knowledge of taxation.

Resources
Students will be given access to Knotia, which contains a collection of standards, rules, and guidelines published by CPA Canada. It contains the *Income Tax Act* (ITA), Income Tax Regulations, and related reference materials.

Grading
Quizzes 12%
Projects 18%
Exam 70%

100%

The total grade needed to pass this course is 60% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline
TOPIC 1.1: INTRODUCTION

1.1-1 Levels of government and their roles in the Canadian tax system (Level C)
1.1-2 Sources of income tax law (Level C)
1.1-3 Sources of interpretation of the *Income Tax Act* (Level C)
1.1-4 Other types of taxation (Level B)
1.1-5 Federal income tax collection (Level C)
1.1-6 Structure of the ITA (Level C)
TOPIC 1.2: TYPES OF TAXPAYERS AND BUSINESS ENTITIES AND COMPUTATION OF INCOME

1.2-1 Types of taxpayers and business entities (Level B except as noted)
1.2-2 Sources of income (Level B)
1.2-3 The aggregating formula for net income for tax purposes (Division B) (Level B)
1.2-4 Net income for tax purposes and taxable income — an overview (Level B)
1.2-5 Tax rates (Level B)

TOPIC 1.3: INCOME FROM AN OFFICE OR EMPLOYMENT AND EMPLOYMENT INCOME INCLUSIONS

1.3-1 Income from an office or employment (Level B)
1.3-2 Allowances for personal or living expenses (Level B)
1.3-3 Director’s fees (Level B)
1.3-4 Automobile benefits (Level B)
1.3-5 Payments by employer to employee (Level B)
1.3-6 Interest on employee debt (Level B)
1.3-7 Eligible housing loss (Level B)
1.3-8 Stock options (Level B)

TOPIC 1.4: EMPLOYMENT INCOME DEDUCTIONS

1.4-1 Deductions in computing income from employment (Level B)
1.4-2 Legal expenses of employee (Level B)
1.4-3 Travel expenses (Level B)
1.4-4 Dues and other expenses of performing duties (Level B)
1.4-5 Form T2200 — Declaration of Conditions of Employment (Level B)
1.4-6 Motor vehicle and aircraft costs (Level B)
1.4-7 Registered pension plan contributions (Level B)
1.4-8 Other deductions (Level B)
1.4-9 Sales expenses of commission employees (Level B)
1.4-10 Home office expenses (Level B)
1.4-11 Employee GST/HST rebate (Level B)
1.4-12 Optimizing a claim for employment expenses (Level B)

APPENDIX A: GLOSSARY
APPENDIX B: ACRONYMS

TOPIC 2.1: CAPITAL COST ALLOWANCE

2.1-1 Introduction to capital cost allowance (CCA) (Level B)
2.1-2 CCA calculations (Level B)
TOPIC 2.2: BUSINESS INCOME INTRODUCTION

2.2-1 Basic rules and principles of business income (Level B)
2.2-2 Business income versus employment income (Level C)
2.2-3 Business income versus property income (Level B)
2.2-4 Business income versus capital gains (Level B)
2.2-5 Timing of reporting of business/property income (Level B)

TOPIC 2.3: BUSINESS INCOME — DETERMINATION OF PROFIT AND INCLUSIONS

2.3-1 Determination of profit (Level B)
2.3-2 Inclusions (Level B)

TOPIC 2.4: BUSINESS INCOME — DEDUCTIONS (LEVEL B)

2.4-1 General limitations on deductions (Level B)
2.4-2 Specific limitations on deductions (Level B)
2.4-3 Financing: Interest and expenses (Level B)
2.4-4 Deductible reserves (Level B)
2.4-5 Various other deductions (Level B)

APPENDIX : T2 SCHEDULE 1

TOPIC 3.1: PROPERTY INCOME

3.1-1 Property income: Introduction (Level B)
3.1-2 Interest income (Level B)
3.1-3 Dividend income (Level B)
3.1-4 Investment counsel fees (Level B)
3.1-5 Rental income (Level B)

TOPIC 3.2: TAXABLE CAPITAL GAINS AND ALLOWABLE CAPITAL LOSSES — GENERAL RULES

3.2-1 General rules (Level B)
3.2-2 Special types of capital property (Level B)
3.2-3 Business investment loss (BIL) (Level B)

TOPIC 3.3: TAXABLE CAPITAL GAINS AND ALLOWABLE CAPITAL LOSSES — SPECIAL RULES

3.3-1 Special rules (Levels B and C)
TOPIC 3.4: OTHER SOURCES OF INCOME AND OTHER DEDUCTIONS

3.4-1 Other sources of income (Level B)
3.4-2 Other deductions (Level B)
3.4-3 Deferred income plans (Level C)

TOPIC 4.1: STAKEHOLDER RELATIONSHIPS

4.1-1 Related and non-arm’s-length persons (Levels B and C)
4.1-2 Associated corporations (Level B)

TOPIC 4.2: SPECIAL DISPOSITIONS OF CAPITAL PROPERTY

4.2-1 Rules for special dispositions of capital property (Level C)
4.2-2 Replacement property (Level C)
4.2-3 Disposition of land and building together (Level C)
4.2-4 Non-arm’s-length acquisitions (Level C)
4.2-5 Loss on transfers between affiliated persons (Level C)
4.2-6 Change in use of property (Level C)
4.2-7 Consideration — FMV (Level C)

TOPIC 4.3: TAXABLE INCOME FOR AN INDIVIDUAL

4.3-1 Common deductions in calculating taxable income (Level B)
4.3-2 Overview of loss-carryover system (Level B)
4.3-3 Capital gains deduction (CGD) (Level B)

TOPIC 4.4: TAX PAYABLE FOR AN INDIVIDUAL

4.4-1 Tax payable for an individual — Overview (Level B)
4.4-2 Non-refundable tax credits (Level B)
4.4-3 Refundable tax credits (Level B)
4.4-4 Alternative minimum tax (AMT) (Level C)
4.4-5 Clawback of Employment Insurance and Old Age Security (Level B)
4.4-6 Completion of tax payable calculation (Level B)

APPENDIX : QUICK REFERENCE OF MORE COMMON NON-REFUNDABLE TAX CREDITS

TOPIC 5.1: NET INCOME FOR TAX PURPOSES AND TAXABLE INCOME FOR A CORPORATION

5.1-1 Net income for a corporation (Level B)
5.1-2 Taxable income for a corporation (Level B)
5.1-3 Types of corporations (Level B)
<table>
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<tr>
<th>TOPIC 5.2: TYPES OF INCOME FOR A CCPC</th>
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<tr>
<td>5.2-1 Types of income for a CCPC (Level B)</td>
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<th>TOPIC 5.3: TAX PAYABLE FOR A PUBLIC CORPORATION</th>
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<td>5.3-1 Tax payable for a public corporation (Level B)</td>
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<th>TOPIC 5.4: TAX PAYABLE FOR PRIVATE CORPORATIONS INCLUDING CCPCs</th>
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<tbody>
<tr>
<td>5.4-1 Tax payable for a CCPC (Level B)</td>
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<tr>
<td>5.4-2 Taxation of ABI: The small business deduction (SBD) (Level B)</td>
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<td>5.4-3 Taxation of personal-services business income (Level B)</td>
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<td>5.4-4 Taxation of aggregate investment income (AII) (Level B)</td>
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<td>5.4-5 Additional refundable tax (ART) on CCPC investment income (Level B)</td>
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<td>5.4-6 Taxation of dividend income (Level B)</td>
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<td>5.4-7 Connected corporations (Level B)</td>
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<td>5.4-8 Refundable dividend tax on hand (RDTOH) (Level B)</td>
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<td>5.4-9 Capital dividend account (CDA) (Level B)</td>
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<td>5.4-10 Summary of refundable tax system (Level B)</td>
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<td>5.4-11 Summary of corporate tax rates (Level B)</td>
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<th>TOPIC 6.1: INTEGRATION AND TAX PLANNING FOR INDIVIDUALS</th>
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<tr>
<td>6.1-1 Integration under the ITA — revisited (Level C)</td>
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<td>6.1-2 Owner-manager tax planning (Level C)</td>
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<td>6.1-3 Lifelong tax planning for all (Level C)</td>
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<td>6.1-4 Tax planning for corporations (Level C)</td>
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<tr>
<th>TOPIC 6.2: GOODS AND SERVICES TAX (GST)/HARMONIZED SALES TAX (HST)</th>
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<tr>
<td>6.2-1 Introduction to GST/HST (Level B)</td>
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<td>6.2-2 GST/HST registration (Level B)</td>
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<td>6.2-3 GST/HST rates (Level B)</td>
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<td>6.2-4 Taxable supplies and input tax credits (ITCs) (Level B)</td>
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<td>6.2-5 Collection of GST/HST (Level B)</td>
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<td>6.2-6 Accounting for GST/HST (Level B)</td>
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<tr>
<td>6.2-7 Remittance and filing deadlines (Level B)</td>
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<td>6.2-8 Retention of books and records (Level C)</td>
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</tbody>
</table>
TOPIC 6.3: ADMINISTRATION

6.3-1 Filing requirements and deadlines (Level B)
6.3-2 Penalties for failure to file (Level C)
6.3-3 Instalments and interest (Levels B and C)
6.3-4 Refunds and refund interest (Level C)
6.3-5 Penalties for omissions and other offences (Level C)
6.3-6 Notice of assessment, notice of objection and appeal process (Level C)
6.3-7 Retention of books and records (Level C)

TOPIC 6.4: COMBATING TAX EVASION AND AVOIDANCE, DATA ANALYTICS, REPORTING SYSTEMS AND DATA REQUIREMENTS

6.4-1 General anti-avoidance rule (GAAR) (Level C)
6.4-2 Approaches to combating offshore tax evasion and aggressive tax avoidance and the use of data analytics (Level C)
6.4-3 Reporting systems and data requirements for tax compliance (Level C)

APPENDIX A: SUPPLY EXAMPLES FOR GST/HST PURPOSES
APPENDIX B: INTEREST AND PENALTIES SUMMARY
APPENDIX C: GAAR DECISION TREE
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
Quizzes 12%
Assignments 18%
Exam 70%
100%

The total grade needed to pass this course is 60% (with an average of 65% across all core prerequisite courses 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 and measuring corporate social responsibility
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

TOPIC 2.1: SETTING THE MISSION, VISION, VALUES AND OBJECTIVES

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

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
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

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
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

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 not-for-profit organizations
6.3-2  A management control framework in NFPOs
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


Grading
MyEconLab microeconomics quizzes (2 quizzes, 5% each) 10%
MyEconLab macroeconomics quizzes (2 quizzes, 5% each) 10%
Final exam 80%
100%

Quizzes grades are based on the marks you receive. The total grade needed to pass the course is 50% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).
Course outline

**Microeconomics**

Chapter 1  What’s in Economics for you? Scarcity, Opportunity Cost, Trade

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

Grading
MyStatLab quizzes (four quizzes, 5% each) 20%
Final examination (three hours) 80%
100%

Quizzes grades are based on the marks you receive. The total grade needed to pass the course is 50% (with an average of 65% across all core prerequisite courses 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
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

Grading
Assigned quizzes (four quizzes, 5% each) 20%
Final exam (three hours) 80%

The total mark needed to pass the course is 50% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline
The Canadian legal system
Tort law and professional liability
Formation of the contractual relationship
Interpreting the contract and terminating the contractual relationship
Business organizations: Agency and partnership
Business organizations: Corporations
Business relationships: Insurance and employment
Property rights
Business relationships: Sales and consumer protection; debtor and creditor relations
INFORMATION TECHNOLOGY

Non-core course

Prerequisites
None

Course description
This is an introductory course that covers the use of computer-based information systems in management and accounting. After completing this course, students will have the knowledge required to make informed decisions about the applications of information technology.

Grading
Assigned quizzes (four quizzes, 5% each) 20%
Final exam (three hours) 80%
100%

The total grade needed to pass this course is 50% (with an average of 65% across all core prerequisite courses required for entry into the CPA PEP).

Course outline
The strategic importance of information systems
Types of information systems
Systems development
Data, data modelling and information, managing information
Systems infrastructure and architecture
Risks and controls