

# Professional II



Paper 2 – Advance Financial Accounting

Examination Duration: 3½ hours

**OBJECTIVE:** The objective of this paper is to test the competence of the candidate in the use of interpretation of accounting information and in skill in preparing accounting statements and relevant practical reports. It is also intended to assess the depth of the candidates' comprehension of the theoretical and practical foundations of current accounting conventions and practice.

SYLLABUS	Knowledge Requirements
1. CONSOLIDATED ACCOUNTS Include consolidated profit and loss account, balance sheet and cash flow statements.	A
2. VALUATIONS OF SHARES AND BUSINESS 1. Factors which influence share purchase and sale. Valuation of unquoted shares and shares in private companies. The preparation of reports and data under this heading will draw on the material covered elsewhere in this syllabus and also on the students general fund of Accounting knowledge. 2. The requirements of the Stock Exchange on Takeovers and Mergers.	A B
3. EFFECT OF INFLATION ON ACCOUNTS Accounting for changing price levels. Accounting for currency conversion. Current developments towards disclosure of information and in establishment of accounting standards.	A
4. BRANCH ACCOUNTS Branch Accounts including foreign branches. The problems of transfer pricing and methods of valuation of stocks and work in progress.	A
5. ANALYSIS AND EVALUATIONS OF ACCOUNTS To include ratio analysis, cash and funds flow analysis and preparation of reports thereon including critical appraisal of annual accounts.	A
6. COMPANY FINAL ACCOUNTS Preparation and presentation of financial statements according to the requirements of IAS/IFRS.	A
7. ACCOUNTING FOR PENSIONS.	A