

The Examination System

Business is changing, so are we.

The CPA qualification is a competency-based qualification. Both this Syllabus of Examination and the CPA training programme are underpinned by the CPA Competency Profile, which is based on the Institute's research into what will make future accountants effective at strategic level in business. The Profile specifies two dimensions: the range of knowledge/skills needed by future CPAs and the depth of expertise required. It also defines the personal attributes essential for the delivery of professional services to the highest international standards.

Prior to qualification, these are acquired by CPA students through an examination syllabus and a defined training regime. Post-qualification, they are developed further through a mandatory Continuing Professional Education (CPE) programme and exposure to more complex work situations

This approach is of increased relevance because in the modern business environment there are ever more demanding expectations of what is required from a professional accountant. These arise in part from, the rapidly changing business landscape, business innovation, advances in technology, more exposure to ethical challenges, complex regulation, increased volume and complexity of standards, globalisation, commitment to life long learning and more diverse education and learning opportunities.

All CPAs, regardless of when qualified, will be distinguishable by their ethical values, professionalism and ability to work effectively with people. The skills and attributes required for this are referred to as 'Behavioural Attributes'. They fall into three categories:

1. Professionalism and Personal Ethical Standards (covering the areas of values and objectivity.)
2. Sensitivity to Business Needs (covering how CPAs view and interact with the business environment).
3. Inter-Personal Effectiveness (covering how CPAs work with others to add value).

In summary, the effectiveness of CPAs is achieved through the integration of a robust education and examination process in conjunction with a rigorous supervised relevant training programme.

Integration with the Training Process

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- The integration and interdependence of learning across subjects is now more explicitly highlighted than before. For example the syllabus for each subject shows in a diagram these linkages. Other features are:
- The learning outcomes are specified in the syllabus for each subject.
- The Competency Profile details the competencies required of an entry level CPA.
- Many of the competencies required of an entry level accountant are assessed through the examination process.
- Others, by their nature may only be evaluated in the work place through the supervised training regime. These may include non-technical competencies such as team working, leadership, effective communication skills and problem solving.
- The development of professional values, ethics and attitudes is an intrinsic and visible part of the education and training processes.

Recognition

This syllabus complies with the examination requirements of the European Union governing the approval of persons responsible for carrying out the statutory audits of accounting documents. The CPA qualification is also included in the Mutual Recognition Directive, giving CPAs access to the profession in other EU member states subject to an aptitude test in local law, taxation and language. As a founding member of the International Federation of Accountants (IFAC) the syllabus supports the Educational Standards & Guidelines issued by IFAC.

Timetable for Introduction

In 2009 all stages of the Institute's examinations, including Professional 2, will be based on the Syllabus published in this document.

Transition Arrangements

Transition arrangements are in place for students who have partially completed Formation 1, Formation 2 and Professional 1 Stages. These are shown in the section *Transition Arrangements* on pages 58 to 59. Exemptions granted to subjects based on the Syllabus of Examination 2007 or earlier, will transfer to subjects in this Syllabus of Examination as shown on pages 60 to 61.

Assessment Methods

CPA students develop the required competencies through an integrated process of practical training and education, both of which have an assessment component. The adequate demonstration of competence on-the-job is formally attested to by training supervisors/mentors through the sign-off requirement in the training regime. The education element is assessed through written examination. The "Assessment Strategy" section within each syllabus details the examination approach, examination format and marks allocation. Mini case studies are introduced at Formation 2 Stage. Questions are designed so as to examine students' performance with reference to real working environments.

Open Book Exams at Professional 2 Stage

At Professional 2 Stage, assessment is by open-book examinations of 3.5 hours duration, (with the exception of the Financial Management transition examination). Case studies are unseen by students prior to the examination.

Examination Structure

There are four stages of examinations:

Formation 1 (F1),

Formation 2 (F2), Professional 1 (P1), and

Professional 2 (P2).

The subjects at each stage are shown in the Figure 1.

Choice

CPA students will, at Professional 2 Stage, tailor their qualification to their chosen career path. In addition to two mandatory subjects shown in Figure 1, Advanced Corporate Reporting and Strategy, Leadership & Knowledge Management, they will choose two subjects from four elective subjects. Students wishing to pursue a career in industry will, in most instances, elect for the Strategic

Performance Management and Strategic Corporate Finance subjects in addition to the two mandatory subjects.

N.B. Students at Professional 2 must sit and pass the 2 mandatory subjects plus any 2 of the elective subjects. However, a student intending to subsequently qualify and apply for a practising certificate must sit and pass the Auditing and Taxation elective subjects at Professional 2 Stage, in addition to satisfying the other criteria for obtaining a Practising Certificate. Further details of the criteria that must be satisfied to obtain Practising Certificate are available on the CPA website www.cpaireland.ie.

Progression Through the Examination Process

Students have a maximum of four consecutive examination sittings, within two years, to pass each examination stage, and

- If unsuccessful within the specified period they may not recommence that stage or progress to the next stage.
- Have eight years to successfully complete all their examinations up to and including Professional 2 when commencing from Formation 1 or 2 Stages.

Further information on expected progression through the examinations process is available in the Institute's Examination Regulations which are available on the Institute's website www.cpaireland.ie.

Gap Year

Students may, subject to satisfying the Examination Regulations requirements, take a gap year between examination stages.

Referrals

Referrals may, subject to satisfying the Examination Regulations requirements, be granted where students pass all but one subject in any sitting at the Formation Stages examinations. A marginal fail must be attained in the one subject not passed.

Figure 1

Stage	Subject	Stage	Subject
F 1	Business Mathematics & Quantitative Methods Economics & Business Environment Business Laws	P1	Corporate Reporting Auditing Corporate Laws and Governance Managerial Finance
F 2	Financial Accounting Taxation Information Systems Management Accounting	P2	Strategy Leadership & Knowledge Management (Mandatory subject) Audit Practice and Assurance Services (Elective subject) Advanced Corporate Reporting (Mandatory subject) Strategic Corporate Finance (Elective subject) Strategic Performance Management (Elective subject) Advanced Taxation (Elective subject)

F: Formation P: Professional

Credit Accumulation

A credit accumulation system applies to students at Professional 1 Stage. Students at this stage must initially attempt all four subjects. They may, at the discretion of the Education and Training Committee, retain passes at this stage, where a marginal fail has been attained in subjects not passed. At each subsequent sitting, all subjects not passed must be attempted. All four subjects must be passed within a maximum of four consecutive sittings, (within two years). The Examination Regulations contain more details on the Credit Accumulation system.

Modular System

A modular system applies to students at Professional 2 Stage. Students may sit their four subjects at this stage in any order on a modular basis. All four subjects, (the two mandatory and the two electives) must be passed within a maximum of four consecutive sittings, (within two years).

Exemptions

Exemptions from some of the Institute's examinations may be granted to applicants who have already passed equivalent examinations. These are granted on a subject for subject basis. Details are available from the Institute's website www.cpaireland.ie.

Competency Levels

Each topic in each subject is assigned a competency level. Three levels are defined and these are referenced to the intellectual skills listed in the International Education Standard 3 issued by the International Federation of Accountants (IFAC). Questions and case study scenarios in the Professional Stage examinations are framed so as to examine the learning outcomes with reference to real working environments. Where appropriate the same approach is adopted in the examinations in the Formation Stages.

The three competency levels are grouped in ascending order:

- 1: *Knowledge & Understanding* (Ability to locate and acquire knowledge).
- 2: *Application & Analysis* (The ability to apply knowledge and understanding effectively to the analysis of complex and unfamiliar situations).
- 3: *Synthesis & Evaluation* (The ability to integrate knowledge with sound judgment in the critical evaluation of situations to develop creative solutions).

In general, Level 3 is the predominant level for subjects at Professional 2 Stage, with students having progressed through levels 1 and 2 in the previous stages of the syllabus. The balance

shifts from the lower levels to higher levels as students progress through the syllabus. This is not an absolute, as higher level competencies are also required for some topics in the earlier stages of the syllabus and lower levels for some topics at the Professional 2 Stage.

The above progression is reflected in the competency levels demonstrated in the work place and assessed through the training process. Students learn to apply their knowledge and skills through a learning spiral which blends formal study with supervised training. This results in the demonstration of greater competency at work, leading to exposure to more complex tasks which and in turn develop critical analysis and judgment skills.

Booklists and Study Materials

Suggested reading material is listed for each subject. A wide range of appropriate reading and web based material available in all subjects has been carefully considered. The booklists and lists of useful websites will be updated when necessary and students will be informed of such amendments. Students are advised to acquire the recommended books which will be invaluable during study and will form the basis of a personal library after qualification. The value of broad reading of books, journals, web-based research and Technical Standards as a further extension of knowledge is emphasised here as the reading list is not intended to be exhaustive. Unless the reading lists refer to publication dates of texts, it is important to obtain the latest editions. At Professional examination stages there is a requirement to demonstrate knowledge of relevant current developments. The syllabus does not necessarily set the boundary of knowledge required. Students are expected to read widely from the financial press, periodicals, Accountancy Plus, (the official journal of the Institute), Student eBulletins, web based resources and other professional journals.

Past Examination Papers and Suggested Solutions.

The Institute publishes past examination papers and suggested solutions on its website. These are freely available for download.

New Legislation - the Six Months Rule

Questions involving the knowledge and application of new legislation are not asked within six months of enactment of the relevant legislation. The same rule applies on the publication by the Institute of technical pronouncements on accounting, auditing and taxation.

Examinable Material Document

The Examinable Material Document showing which technical standards are examinable at each level in Accounting and Auditing is on pages 62 to 65.

GB and Northern Ireland

Students resident in GB or Northern Ireland may be permitted to answer the Taxation Examination papers in accordance with the law and practice in force in their area, provided permission has been obtained in writing from the Institute in advance and this is clearly indicated on their examination entry form.

Special Types of Accounts

Questions requiring specialised detailed knowledge are not set regarding the accounts of insurance companies, shipping companies and building societies.

Case Law

Students are expected to have an understanding of, and be able to apply as appropriate, the decisions of case law in the relevant subjects.

Use of Calculators, Logarithm Tables, Templates and Slide Rules

The use of calculators is permitted, provided they are not mains operated or do not have a print out facility. Logarithm tables are available on request. Use of templates for flow charting etc., is allowed. The use of slide rules is also permitted.

Open Book Exams

Professional 2 Stage examinations will be open book from April 2009. Candidates may bring to their examination any printed / written materials. The Examination Regulations contain more information on this.

Taxation

Students are expected to demonstrate in papers, other than the stated taxation papers, an appreciation of the implications of taxation in such matters as investment appraisal, preparation of accounts etc. CPA students are not required to memorise the various taxation allowances, which are provided, if necessary, at the examination.

Case Studies

At professional examination levels examiners test students in their ability to:

- Present well structured written reports,
- Critically analyse problems and suggest appropriate solutions,
- Evaluate alternative courses of action and make recommendations,
- Integrate knowledge of different subject areas.

Students may expect questions presented in case study format to test these important skills.

Financial Accounting Papers

In Financial Accounting papers pro forma of Income Statements and Balance Sheets are issued where necessary.

Amendments to the Syllabus

The Institute reserves the right to decide on amendments to the syllabus between publication dates of the annual syllabus. Any such amendments will be published in Accountancy Plus (the official journal of the Institute) and on the CPA website.

Examination Regulations

The Examination Regulations for students are set out on our website www.cpaireland.ie. These regulations give detailed information on the conduct of the examinations, the basis on which referrals are granted and the application of the credit accumulation at Professional 1 level and the modular system at Professional 2 level. All students must read, understand and abide by them.

How the Institute communicates with students

To help all students achieve their full potential the Institute operates an "Open Door" policy in dealing with queries and specific problems encountered by its students. Annually, a representative from the Institute visits students attending courses in the Approved Centres of Education. These visits give students an opportunity to communicate their views directly to the Institute. Post-examination feedback is sought from students twice yearly, through the online examView process, and reviewed by the Education and Training committee before examination results are finalised.

At the commencement of each academic year, the Institute operates a process, (the Educators Briefing process), through which examiners give feedback to approved CPA Educators on examination performance issues and outline the education priorities for the coming year. A summary of these is then placed on the CPA website. The Institute believes that this is an important line of communication and an effective way to give direction and support to all educators.

An annual Educators' Conference is also held. Approved CPA Educators are invited to attend, along with examiners, moderators, members of the Institute's Education and Training Committee and representatives from the Education and Training Department. The main purpose is to align the education and examination processes so as to facilitate the development of the CPA student.