



PROFESSIONAL 1 – CORPORATE LAWS

EDUCATORS BRIEFING 2019/20

	Topic	Guidelines
1	Comments on Performance in 2019 Examinations:	<p>There was a slight disparity between the Summer and Autumn 2019 exam diets – with candidates showing improved performance in the Law component in both sitting – albeit performing less well in the corporate governance questions. In both exam diets Question 1 is proving a challenge for candidates who often lack specific knowledge in relation to corporate finance. In particular, they are still confused regarding the priority of debts on liquidation, and in particular the debts that are classified as preferential debts. I have long suspected that this is due to the fact that this area of the syllabus is quite detailed and they are <i>cherry-picking</i> what to study.</p> <p>Regarding Question 2, the calibre of the Summer answers tended to be above average – and it was obviously that candidates have reviewed the online webinar on reckless trading and restriction orders. Marks are still being lost for brain dumping and for generic answers, not dealing with the specifics of the question being asked.</p> <p>In general, a portion of candidates are still finding the compulsory questions (Questions 1 and 2) challenging – despite the fact that they are largely drawn from two areas of the syllabus. Lecturers are advised to focus candidates on these areas – and to ensure that classes reflect the depth of the syllabus in these areas (especially company officers).</p> <p>Regarding the optional questions, there was a significant disparity between Questions 3 and 4 in the Summer exam diet (75%/55% pass rates) – which is not too surprising as the topics covered in certain components of this question were asked in previous exam diets and form part of the examiner articles. In the Autumn paper there was significant disparity between the average marks for optional questions 3 and 4, which scored 64% and 69% respectively.</p> <p>Marks are also being lost for not answering the specific questions asked – where answers lacked the requisite level of detail and where there was a lack of case law to support answers.</p> <p>Finally, it is important to note that there was some disparity in performance across exam centres – with certain centres attaining a pass rate 15% higher than others in the Summer exam diet.</p>
2	Learning Outcomes:	<p>This subject aims to ensure that students understand the theory and application of key principles of company, commercial and other aspects of laws relating to business and recognise those issues which require the advice of a legal professional. Two of key areas of focus are corporate finance and corporate management (including corporate offences) – as these are particularly relevant to the accounting and finance sector.</p> <p>Please also refer to the learning outcomes in the detailed syllabus listed on page 52.</p>
3	Syllabus Changes:	<p>The syllabus is updated every year. There are no significant changes in the 2019-2020 syllabus, from that of the 2018-2019 syllabus.</p>

4	Format of the Examination Papers for 2019-2020:	<p>The format will remain the same in that candidates will be required to answer two set problem questions in Part A and to choose to answer one of two problem/essay style questions. A minimum of 60% of the two compulsory questions will be drawn from the corporate finance and corporate management areas of the syllabus.</p> <p>(In Part B candidates are required to answer only one question of 2, see below.)</p>
5	Education Focus for 2019-2020:	Regarding the Corporate Laws components of the Syllabus, (1, 2, 3, 5 and 6) the greater focus should be on 1, 2, 5 and 6.



PROFESSIONAL 1 – CORPORATE GOVERNANCE

EDUCATORS BRIEFING 2019/20

	Topic	Corporate Governance Guidelines
1	Comments on Performance in 2019 Examination:	<p>Summary: The overall results for 2019 were improved on previous sitting. In the April 19 sitting, most candidates opted for Question 6 on the role of Non-Executive Directors and demonstrated good knowledge in the quality of their answers. The August 19 sitting was slightly disappointing however, with some candidates failing to show any in depth knowledge of the C.R.O. in Ireland.</p> <p>The topics assessed in 2019 related to core areas of the syllabus yet a number of students showed a very limited appreciation of these areas. Students are strongly advised to study at least the last three years' exam papers (and suggested solutions), relevant articles and other online resources provided by CPA Ireland to supplement the other materials available through their educators. Students need to be able to apply their knowledge of corporate governance to the governance mechanisms commonly used in business today.</p>
	Syllabus Objectives:	The learning outcomes clearly state what candidates should be able to do and the assessment therefore is designed to focus on measuring achievement of these learning outcomes.
	Syllabus Changes:	Syllabus updates are made each year in the study texts to reflect changes in corporate governance.
	Format of the Examination Papers for 2020:	<p>Section B: Weighting 30 marks Choice of one question out of two (30 marks each) Minimum two parts per question</p>
	Education Focus for 2020:	<ul style="list-style-type: none"> • Theoretical underpinning of corporate governance, definitions of corporate governance, history and developments in corporate governance, approaches to corporate governance, concepts in corporate governance, agency theory and stakeholder concerns. • Candidates will need to demonstrate knowledge of the corporate governance requirements of incorporated listed companies on the Main Securities Market (MSM) of the Irish Stock Exchange. • In the context of ODCE candidates will be required to demonstrate knowledge and understanding of: <ul style="list-style-type: none"> ○ The compliance and enforcement roles of the Director of Corporate Enforcement ○ Candidates need to keep abreast of new announcements made by the ODCE

		<ul style="list-style-type: none"> • Candidates will required to demonstrate an appreciation of the Irish Auditing and Accounting Supervisory Authority (IAASA) • In the context of the Companies Registration Office [CRO] candidates will be required to demonstrate knowledge and understanding of filing requirements in respect of annual returns and matters affecting directors • In respect of the Sarbanes Oxley Act the relevant sections for examination are as follows: <ul style="list-style-type: none"> ○ Sec. 201. Services outside the scope of practice of auditors. ○ Sec. 203. Audit partner rotation. ○ Sec. 204. Auditor reports to audit committees ○ Sec. 206. Conflicts of interest. ○ Sec. 302. Internal control certifications ○ Sec. 404. Management assessment of internal controls. ○ Sec. 407. Disclosure of audit committee financial expert ○ Sec. 802 Criminal penalties for violation of SOX • Corporate Governance information issued by the Central Bank of Ireland: • Candidates need to keep up to date on emerging issues in respect of corporate governance.
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