MODULE 12: BUSINESS FINANCE

HKICPA PROFICIENCY LEVELS AND TAXONOMY

The proficiency level indicated in the table below reflects the level at which the topics covered in each particular learning outcome are tested. There are three levels of proficiency:

- Level 1 is the foundational level, covering the skills of knowledge and comprehension.
- Level 2 is the intermediate level, covering the skills of application and analysis.
- Level 3 is the advanced level, covering the skills of integration and evaluation

You are expected to understand which skill is exercised based on the taxonomy verbs with which it is associated.
Please note that the list of taxonomy verbs below is for reference only and does not represent an exhaustive list.

Level 1: Foundation	Level 2: Intermediate	Level 3: Advanced
Knowledge The remembering of previously learned material (recall of facts)	**Application** Using new knowledge. Solve problems to new situations by applying acquired knowledge, facts, techniques and rules in a different way	**Integration** Compile information together in a different way by combining elements in a new pattern or proposing alternative solutions
Comprehension Demonstrative understanding of facts and ideas by organising, comparing, translating, interpreting, giving descriptions and stating main ideas	**Analysis** Examine and break information into parts by identifying motives or causes. Make inferences and find evidence to support generalisation	**Evaluation** The ability to judge the value of material for a given purpose

The syllabus weighting table indicates the relative weightings of the syllabus areas encompassed in this module. It serves as a guide to the percentage of study time spent on each syllabus area. In the long run, the marks allocation in the module examinations would conform to the weightings as shown above. The exact range of marks allocation in each module examination may deviate from the weightings for suitably robust questions to be set.

SYLLABUS AREA		
Principal Learning Outcomes	**Supporting Learning Outcomes**	**Proficiency Level**
Consider the regulatory environment, sustainability reporting requirements, and describe the concept of ethics where it is appropriate to adopt ethical stances by a business entity	Describe the regulatory authorities and advise on the major financial regulations in Hong Kong	3
	Consider ethical issues and apply ethical standards where appropriate	3
	Consider sustainability and environmental, social and governance (ESG) reporting requirement for a business entity	3
Evaluate and advise on the strategic management of a business entity	Explain and apply the basic principles in implementing and monitoring strategy	2
	Analyse business' performance and explain the primary considerations in analysing a business' strategy	2
	Advise on a business entity's financial strategy	3
Evaluate performance measurement, the different models of performance and the importance of strategic control and governance	Evaluate performance measurement and control systems in entities	3
	Consider the behavioural of control systems	3

SYLLABUS AREA		
Principal Learning Outcomes	**Supporting Learning Outcomes**	**Proficiency Level**
Analyse the role of sensitivity analysis and principles of risk management	Apply the principles of Enterprise Risk Management (ERM) and sensitivity analysis	2
Determine the objectives of treasury function and explain the importance of managing the relationships between treasury function and external parties	Determine the objectives and operations of a treasury function in a business entity	2
	Explain how the technologies influence treasury function	1
Consider methods in managing a business entity's risks	Consider risk management strategies including the use of financial products and derivatives	3
Evaluate short-, medium- and long term financial management	Evaluate the short and medium term financial requirements of a business entity	3
	Apply the principles of working capital management	2
	Determine the long term financial management position of a business and advise on relevant sources of finance and funding methods	3
Advise and apply the various business valuation models	Advise on the valuation of businesses	3
Evaluate corporate reorganization and change, and analyse business failures, the types of liquidations, and the key aspects of insolvency	Evaluate proposals for business combinations	3
	Evaluate and advise on proposals for financial reconstruction	3
	Analyse the key issues relating to business failure and insolvency	2

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