MODULE 6: FINANCIAL ACCOUNTING

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**
Describe the Framework of Financial Accounting and Reporting	Describe the financial reporting framework, such as: - The historical development of the accountancy profession - The conceptual framework of financial reporting - Legal and reporting framework applicable to financial accounting in Hong Kong - Standard setting process and role of Hong Kong Financial Reporting Standards - Application of accounting guidelines, professional pronouncements and exposure drafts - Conditions under which Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard is adopted - Conditions under which the Hong Kong Financial Reporting Standards for Private Entities is adopted as a financial reporting option for private entities	1

SYLLABUS AREA		
Principal Learning Outcomes	**Supporting Learning Outcomes**	**Proficiency Level**
Apply Appropriate Accounting Principles and Concepts to Account for Business Transactions	**Describe and account for business transactions in accordance with Hong Kong Financial Reporting Standards as they relate to:**	
	Accounting policies, changes in accounting estimates and errors	2
	Revenue	2
	Inventories	2
	Property, plant and equipment	2
	Intangible assets	2
	Investment property	2
	Financial assets, financial liabilities and equity instruments	2
	Borrowing costs	1
	Impairment of assets	2
	Leases	2
	Events after the reporting period	2
	Provisions, contingent liabilities and contingent assets	2
	Income taxes	1
	The effects of changes in foreign exchange rates	1
	Related party disclosures	1
	Non-current assets held for sale and discontinued operations	1
	Earnings per share (EPS)	1
	Fair value measurement	1

SYLLABUS AREA		
Principal Learning Outcomes	**Supporting Learning Outcomes**	**Proficiency Level**
Prepare and Present Financial Statements in accordance with Hong Kong Financial Reporting Standards	Explain the basis of preparation and presentation of financial statements	1
	Prepare financial statements in accordance with selected Hong Kong Financial Reporting Standards for a single entity	2
	Prepare a statement of cash flows for a single entity	2
Apply the Accounting Principles and Concepts to Prepare Financial Statements with Simple Group Structures	**Prepare consolidated financial statements in accordance with Hong Kong Financial Reporting Standards for**	
	Business combination	2
	Investments in associates	2
	Joint arrangements	2
	Sustainability connected disclosures	1

Last updated on Jan 2026