

MODULE 11: FINANCIAL REPORTING

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
Explain and apply the financial reporting framework in Hong Kong	Describe and explain the financial reporting framework in Hong Kong and the related implications for business activities	1
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:	
	Government grants	2
	Employee benefits	2
	Share-based payments	2
	Borrowing costs	2
	Financial assets, financial liabilities and equity instruments	2
	Hedge accounting	2
	Income taxes	2
	Effects of changes in foreign exchange rates	2
	Related party disclosures	2
Fair value measurement	2	

SYLLABUS AREA		
Principal Learning Outcomes	Supporting Learning Outcomes	Proficiency Level
Apply appropriate accounting principles and concepts to account for business transactions (Cont'd)	Describe and account for business transactions in accordance with Hong Kong Financial Reporting Standards as they relate to:	
	Earnings per share	2
	Operating segments	2
	Interim financial reporting	2
	Agriculture	2
	Insurance contracts	1
	Exploration for and evaluation of mineral resources	1
	Service concession arrangements	1
Evaluate and advise on appropriate accounting principles to account for complex business transactions	Account for, evaluate and advise on business transactions in accordance with Hong Kong Financial Reporting Standards as they relate to:	
	Accounting policies, changes in accounting estimates and errors	3
	Revenue	3
	Inventories	3
	Property, plant and equipment	3
	Intangible assets	3
	Investment property	3
	Impairment of assets	3

SYLLABUS AREA		
Principal Learning Outcomes	Supporting Learning Outcomes	Proficiency Level
Evaluate and advise on appropriate accounting principles to account for complex business transactions (Cont'd)	Account for, evaluate and advise on business transactions in accordance with Hong Kong Financial Reporting Standards as they relate to:	
	Leases	3
	Events after the reporting period	3
	Provisions, contingent liabilities and contingent assets	3
	Non-current assets held for sale and discontinued operations	3
Prepare, present and appraise group financial statements with complex group structures	Construct the financial statements for an individual entity in accordance with Hong Kong Financial Reporting Standards and statutory reporting requirement	3
	Construct the financial statements for a group in accordance with Hong Kong Financial Reporting Standards and statutory reporting requirements:	
	Business combination	3
	Investments in associates	3
	Joint arrangements	3
Prepare, present and appraise group financial statements with complex group structures	Describe and illustrate merger accounting for common control combinations	1
Describe the current issues and developments in financial reporting	Describe the impact of current issues and developments in financial reporting	1
	Describe the social responsibilities	1

SYLLABUS AREA		
Principal Learning Outcomes	Supporting Learning Outcomes	Proficiency Level
Describe and apply the concept of ethics where it is appropriate to adopt ethical stances for professional accountants in business	Explain and apply the Code of Ethics for Professional Accountants	2