

**HKICPA Qualification Programme
Module B Learning Pack**

Summary of changes sixth edition

Section A questions and answers from Jun 15-Dec 16 exams added to question bank/answer bank

Section B questions from Jun 15-Dec 16 exams added to the exam practice sections of the relevant chapters

Share repurchase changed to share buy-back throughout to reflect current usage in Companies Ordinance and Codes.

Replacement of accounts with financial statements throughout

Replacement of balance sheet with statement of financial position (except for in off-balance sheet finance as remains common usage)

Removal of any references to par or nominal value of shares to reflect removal of concept in Companies Ordinance (Cap.622)

All questions and answers reviewed and changes made to reflect updates below.

All errata from 2016 supplement incorporated in relevant chapters

Chapter in sixth edition		Main changes in sixth edition
Chapter	Chapter name	
1	Ethics in business	<ul style="list-style-type: none"> Additional self test question 1 Inclusion of revised HKEx requirements for ESG reporting sub-section 7.6.2
2	Strategy formulation and choice	<ul style="list-style-type: none"> Additional self test question 1
3	Financial analysis and strategy	<ul style="list-style-type: none"> Additional self test question 2 Insertion of revised examples World Holdings Ltd (WHL) from 2016 supplement into section 6
4	Cost measurement and analysis in service and manufacturing environments	<ul style="list-style-type: none"> Additional self-test question 1
5	Performance measurement systems	<ul style="list-style-type: none"> No significant changes
6	Performance measurement for organisational units	<ul style="list-style-type: none"> Inclusion of reference to OECD BEPS framework in section 16.2 transfer pricing and tax
7	Treasury management	<ul style="list-style-type: none"> Inclusion of syllabus revisions to learning outcomes Addition of sub-section on cash visibility and sub-section on corporate treasury centres/in-house banks into section 1 Addition of section 2 HK as a treasury centre including material from 2016 supplement More detail and example in section 4 on treasury structure Inclusion of service centre structure in section 5 More information about profit centre structure in section 5

		<ul style="list-style-type: none"> • Separate identification and explanation of credit risk in section 6 • More detail on benefits of using a TMS in section 7.4 • Inclusion of role of TMS in transfer pricing compliance as sub-section 7.4.1 • Update of company name in CITIC case study • Inclusion of treasury performance benchmarking as sub-section 9.3 • Additional self-test question 2 • Expansion of section 11 to include relationship with ratings agencies/investors/regulators • Revised topic recap
8	Working capital management	<ul style="list-style-type: none"> • Additional self-test question 2
9	Types and sources of finance	<ul style="list-style-type: none"> • Additional self-test question 2 • Inclusion of material in section 9 on rising US interest rates and potential impact on bond markets.
10	Dividend policy	<ul style="list-style-type: none"> • Additional self test question 1 • Repurchase amended to buy-back in section 5.3 and following example • Correction of spelling of Damodaran section 6
11	Identifying, measuring and managing, financial risks	<ul style="list-style-type: none"> • Additional self test question 1 • Section on international currency market conventions added as 8.1.1 incorporating info from 2016 supplement, use of ISO codes and bid offer prices • Rest of section 8 amended to reflect use of international currency conventions using 2016 supplement • Addition of section on renminbi xg rates from 2016 supplement as section 8.2.2 • Use of more accurate definition of duration in section 9.4 • Revised answers for exam practice questions reflecting currency convention form supplement 2016
12	Investment appraisal	<ul style="list-style-type: none"> • Additional self test question 1
13	Cost of capital	<ul style="list-style-type: none"> • Replacement of gilts with government debt as UK specific term in section 3.1 • Additional self-test question 1
14	Capital structure	<ul style="list-style-type: none"> • No significant changes
15	Regulatory environment	<ul style="list-style-type: none"> • New para in section 1.6 to explain that 'old' companies ordinance (Cap. 32) still covers certain areas such as prospectuses and winding up and has been renamed Companies (Winding Up and Miscellaneous Provisions) Ordinance • Changes to section 2.1 on required financial info to reflect changes to listing rules • Section 2.2 minor changes to conform with

		<p>latest listing rules</p> <ul style="list-style-type: none"> • Section 4.3 small change for clarity • Section 6.3 clarification that prospectuses covered by Companies (Winding Up and Miscellaneous Provisions) Ordinance • 6.3.2 minor changes to reflect latest listing rules and fact that HK shares no longer have a par value • Additional self test question 2
16	Financial markets	<ul style="list-style-type: none"> • Updating of economic data on HK GDP in section 2.7 • Updating of info on China GDP growth in section 2.7.2 • Addition of self test question 1 • Inclusion of China restrictions on short selling as stimulus for HK hedge fund sector added to subsection 8.7.1 • Inclusion on section 10.3 Central clearing of OTC derivative contracts incorporating info from 2016 supplement • Additional self test question 1
17	Business valuations	<ul style="list-style-type: none"> • Additional self test question 2
18	Mergers and acquisitions	<ul style="list-style-type: none"> • Section 10 repurchase replaced with buy-back in references to the Codes on takeovers and mergers and share buy-backs to reflect title of current version
19	Corporate reorganisation and change	<ul style="list-style-type: none"> • No significant changes
20	Business failure and insolvency	<ul style="list-style-type: none"> • Insertion of HKMA guidance for bank recovery planning as section 4.1.6 incorporating info from 2016 supplement • Additional self-test question 2 • Change of post balance sheet events to events after the reporting date in section 5.1 to reflect HKAS 10 • Section 6.1 insertion of Companies (winding up and miscellaneous provisions) Ordinance as relevant source of legislation in section 6.1