



Qualification Specification for:

KPA Level 4 Diploma

In

Accounting and Finance (RQF)

Version Control

Version	Date	Updated by	Description of changes
v1.0	22/05/2020	S Tiwary	Launch version.
v2.0	08/10/2024	A Henry-Young	Updated to new template. Spelling and grammar rectified. Assessment and delivery guidance updated to be less prescriptive.
v2.1	15/01/2026	A Henry-Young	Update to legislative references. Lists to recommended textbooks removed. Minor formatting changes made.

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Introduction

About KPA

Kaplan Professional Awards (KPA) is a nationally recognised Awarding Organisation which offers high quality accredited qualifications. KPA works with national and local organisations to develop and widen access to high quality and flexible education and learning.

Our mission is to offer the best possible qualifications and resources, and to put these opportunities in the hands of as many people as possible.

KPA Qualifications

KPA Qualifications are developed to ensure they provide a clear measure of the individuals' achievement while highlighting their ability to meet the requirements of the industry in which they wish to operate. KPA works with industry specialists to ensure the qualification modules/units and their assessments are set at a suitable level for the age range and industry requirements.

Qualification summary

This specification will provide key information about the KPA Level 4 Diploma in Accounting and Finance (RQF) qualification.

This qualification is regulated by Ofqual and listed on Ofqual's Register of Regulated Qualifications:

Name of qualification	Qualification number
KPA Level 4 Diploma in Accounting and Finance (RQF)	603/5883/X

This qualification has been developed with the help of qualified accounting professionals, finance professionals and individuals formally involved in the administration of the qualifications systems of a number of professional accounting bodies. This valuable input helps ensure that this qualification is not only designed to meet the needs of the industry but helps ensure participants are equipped with the necessary subject knowledge and practical skills to carry out their role accurately and efficiently.

This qualification provides a clear opportunity for learners to develop and demonstrate their level of knowledge and understanding across a broad range of topics in accountancy, finance and business. The modules are designed to integrate the overall programme's learning outcomes and enable students to constantly progress through the qualification's 8 units.

Upon successful completion, learners will achieve a nationally recognised KPA Level 4 Diploma in Accounting and Finance (RQF).

The qualification is graded as pass or fail.

Qualification Purpose

The purpose of the KPA Level 4 Diploma in Accounting and Finance (RQF) is to provide learners with:

- Core accounting knowledge and skills needed to progress within employment or to further study
- An understanding of how different techniques are used in real life situations by financial market professionals and other professionals
- Qualification is suitable for individuals:
 - interested in pursuing a career in accounting or finance
 - currently working in business or any related field and who wish to develop their knowledge of accounting or finance
 - who wish to commence their studies with a view to becoming a qualified accountant or finance professional.

Qualification objective

The KPA Level 4 Diploma in Accounting and Finance (RQF) is a learning and professional development programme, providing an understanding of accountancy, finance and business. This helps the candidate build technical knowledge, professional skills and practical experience needed to progress needed to develop their knowledge of accounting and finance or to progress to studying a professional accountancy, banking or finance qualification or further studies in this area.

The objective of the KPA Level 4 Diploma in Accounting and Finance (RQF) qualification is to:

- provide learners with the opportunity to gain a solid foundation in the major components of the accounting and finance discipline and to allow them develop their financial literacy skills.
- equip learners with the relevant skills, knowledge and understanding in the practical application of accounting and finance knowledge to the commercial workplace.
- provide knowledge, skills and understanding for a range of careers in the accounting and finance disciplines.
- provide opportunities for progression in their career, employability or to higher education qualifications.
- provide learners with an opportunity to achieve a recognised qualification.
- provide maximum flexibility to those wishing to pursue a career in accounting and finance.

Entry Requirements

KPA qualifications are designed for learners who are typically 18 and 19+ and post-secondary school. This does not exclude those who have already embarked on their chosen career from entering this qualification.

Whilst there are no specific entry requirements to study this qualification, it is recommended that learners have a good standard of English and Math at Level 2 or equivalent. It is our policy to ensure qualifications are free from any barriers that restrict access and are available to all who have the capability of reaching the required standard.

Our Centres are required to review relevant, prior qualifications and experience for each learner and to use that information to decide whether the learner has the necessary foundations to undertake this programme of study.

Exemptions and/or Recognition of Prior Learning (RPL)

There are no exemptions or recognition of prior learning.

Delivery Languages

This qualification is available in English only at this time.

For those whom English is not their first language we recommend the following standards of proficiency in English language skills or an approved equivalent for this qualification:

- IELTS 5.5
- Common European Framework of Reference (CEFR) B2
- Cambridge English Advanced (CAE) 162 or above
- Pearson Test of English (PTE) Academic 42-49.

Support and recognition

The KPA Level 4 Diploma in Accounting and Finance (RQF) qualification has industry support from:

- Kaplan Financial Ltd.

Equality and diversity

KPA firmly believes in equality of opportunity for all who participate in our qualifications. It is our policy to ensure qualifications are:

- free from barriers that restrict access and progression
- attainable by all who can demonstrate the required standard
- free from discriminatory practices or stereotypes.

All KPA approved centres and their staff are duty bound to be fully aware of their legal responsibilities in regard to equal opportunities, access and to monitor any changes in legislation. KPA reserves the right to withdraw centre approval status in the event of any proven discrimination. For further information please view the full KPA Equality Statement on our website or email kpaenquiries@kaplan.co.uk for a copy.

Structure and Content

This qualification is composed of 8 units. The individual must successfully complete all 8 units to obtain the qualification certification.

The total qualification time for the KPA Level 4 Diploma in Accounting and Finance (RQF) is 384 hours.

The Qualification consists of the following **mandatory** units:

Qualification Structure	Number of mandatory and or optional units			
	Assessment method	Level	GLH	TQT
Accounting Essentials	Internally assessed and externally quality assured practical skills assessments.	4	30	48
Introduction to Finance		4	30	48
Cost Accounting		4	30	48
Business Management		4	30	48
Corporate Finance		4	30	48
Management Accounting		4	30	48
Legal Environment Business		4	30	48
Accounting Software Systems		4	30	48

Order in which units are taken

This qualification is composed of 8 units. The learner must successfully complete all 8 units to achieve this qualification.

The units can be taken in any order except for the following:

- Complete *Introduction to Finance* (unit 2) before *Corporate Finance* (unit 5)
- Complete *Cost Accounting* (unit 3) before *Management Accounting* (unit 6)

Recommended order of unit delivery

Term 1

Accounting Essentials
 Introduction to Finance
 Cost Accounting
 Legal Environment for Business

Term 2

Corporate Finance
 Management Accounting
 Accounting Software Systems
 Business Management

Assessment

The assessment for this qualification is centre-devised and centre-marked with KPA conducting External Quality Assurance (EQA) on the outputs.

The method of EQA will depend on whether the centre has been granted Direct Claim Status (DCS).

All assessment criteria must be demonstrated by a learner to successfully complete the qualification.

The table below shows recommended methods of assessment and their suitability for assessing skills and knowledge statements:

Assessment method	Definition	Skills?	Knowledge?
Multiple-choice questions	A test format where learners select the correct answer from several options.	No	Yes
Essay	An extended written response that allows learners to demonstrate their understanding in depth.	No	Yes
Practical Exam	An assessment where learners perform tasks or activities to demonstrate their abilities.	Yes	Yes
Oral examination	A spoken test where learners verbally explain concepts or answer questions.	Yes	Yes
Portfolio	A collection of learner work showcasing their skills and knowledge over time.	Yes	Yes
Case study	A detailed analysis of a scenario or problem where learners apply their knowledge.	Yes	Yes
Simulation	An artificial environment where learners perform tasks reflecting real-world scenarios.	Yes	Yes
Observations	Instructors observe learners in action to assess their skills and application of knowledge.	Yes	Yes

Please note: this list is not exhaustive - it is to demonstrate a sample of recommended methods.

Offering the Qualification

This qualification is only available through KPA recognised centres. If you would like to find out more about either becoming a recognised centre or working in partnership with a recognised centre please email the KPA enquiries team on kpaenquiries@kaplan.co.uk or visit our website for more information.

Becoming an approved KPA centre

To become an approved KPA centre you will be required to meet the approval criteria that will ensure the standard and quality of the qualification, and where applicable, its assessment delivery is maintained year on year. The approval criteria will include:

- governance
- resources
- candidate support and experience
- assessment and delivery arrangements
- external assessment arrangements
- quality assurance arrangements.

All approved centres will be subject to KPA's ongoing quality assurance processes including centre visits.

Certification and Fees

For current fees, please refer to the qualification page on KPA's website, found [here](#).

Units

How the qualification works

This qualification is made up of unit(s) representing a small block of learning focusing on a particular topic or area of study relevant to the qualification.

Each unit includes a:

1. Level – which indicates the unit difficulty
2. Total Qualification Time (TQT) - the total amount of time a typical learner would take to complete the different activities to demonstrate achievement of the learning outcomes of a whole qualification. TQT includes guided learning hours (GLH) plus tutor directed unsupervised learning and assessment activities.
3. Learning outcome – statement of our expectations of the learner and what the learner can expect to know, understand or do as a result of a process of learning.
 - a. Each learning outcome is linked to a number of assessment criteria.
4. Assessment criteria – descriptions of the requirements a learner is expected to meet to demonstrate that a learning outcome has been achieved
5. Indicative content - the scope of knowledge required in order to fulfil the assessment requirements and achieve the learning outcome; it also outlines the technical components of the programme.

Understanding learning outcomes

There are two main types of learning outcome:

- skills that can be performed
- knowledge that can be learned

It's possible that they can cover a combination of the two.

Competence/Skills based learning outcomes:

- Linked to a practical skill that can demonstrate competence and/or performance of a specific activity or skill.

Knowledge based learning outcomes:

- Reflects evidence that can be recorded in ways other than observation.

Achievement at level 4

Knowledge descriptor (the holder...)

Has practical, theoretical or technical knowledge and understanding of a subject or field of work to address problems that are well defined but complex and non-routine.

Can analyse, interpret and evaluate relevant information and ideas.

Is aware of the nature of approximate scope of the area of study or work.

Has an informed awareness of different perspectives or approaches within the area of study or work.

Skills descriptor (the holder can...)

Identify, adapt and use appropriate cognitive and practical skills to inform actions and address problems that are complex and non-routine while normally fairly well-defined.

Review the effectiveness and appropriateness of methods, actions and results.

Unit 1: Accounting Essentials

Level	4	Code	AF01/2020
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice). 			
Unit description	<p>This module will introduce learners to the language, principles, concepts and techniques required to complete and understand a basic set of business accounts.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Understand the purposes of financial accounting and its basic concepts and theories.	<p>1.1 Explain the use of financial accounting in business.</p> <p>1.2 Outline the major concepts in the theories underpinning financial accounting – Generally Accepted Accounting Principles (GAAP).</p>	<p>a. Basic Accounting Concepts</p> <p>b. Capital and Revenue Expenditure</p> <p>c. Users of Accounting Information</p> <p>d. Types of Business</p>	
2. Know how to record accounting data applying the basic principles of double-entry book-keeping, and prepare a trial balance and final accounts from these records.	<p>2.1 Examine business transactions and make appropriate entries in the appropriate business financial records.</p> <p>2.2 Analyse and summarise recorded business transactions into a trial balance, in such a way that they are appropriate for the preparation of a</p>	<p>a. The Books of Prime Entry</p> <p>b. Double-entry Bookkeeping</p> <p>c. Recording business transactions</p> <p>d. Preparing a Trial Balance</p> <p>e. Structure of the financial statements of a business</p>	

	business's financial accounts.	
3. Understand how to complete Income Statements and Statements of Financial Position, adjusting the Final Accounts for Accruals, Depreciation and Bad Debts.	<p>3.1 Make adjustments to certain balances in the Trial Balance to account for accrued expenses, the depreciation of non-current assets and bad and doubtful debts identified.</p> <p>3.2 Prepare an Income Statement from an adjusted Trial Balance in accordance with GAAP.</p> <p>3.3 Prepare a Statement of Financial Position from an adjusted Trial Balance in accordance with GAAP.</p>	<p>a. Adjust the Trial Balance in advance of preparing the final accounts, including:</p> <ul style="list-style-type: none"> - Accruing for incurred expenses - Depreciation - Bad and Doubtful Debts <p>b. Preparing an Income Statement</p> <p>c. Preparing a Statement of Financial Position</p>
4. Understand the use of financial ratios to examine and interpret a company's financial performance.	<p>4.1 Calculate financial ratios from the information in the financial statements and other sources.</p> <p>4.2 Interpret the ratios to evaluate the performance of a firm.</p>	<p>a. Evaluating the performance of a firm through the analysis of financial statements</p> <p>b. Calculating ratios</p> <p>c. Analysing the ratios to evaluate the performance of a firm</p>
5. Know how to complete a Bank Reconciliation.	<p>5.1 Identify the transactions required to reconcile the transaction recorded in the firm's financial records with the statements received from the businesses bank.</p> <p>5.2 Prepare a statement comparing the firm's bank records to the bank's statements to identify any differences.</p>	<p>a. The transactions that impact on the bank and cash position of a firm.</p> <p>b. The main causes of bank balance difference between the records of the firm and the balance in the bank's records.</p> <p>c. The adjustments required to reconcile the firm's balance with the bank's balance.</p>

	5.3 Reconcile the differences through the identification of the cause of the differences and making appropriate adjustments to the firm's banking records and / or the bank's account balance in the reconciliation report.	d. Determining a final balance for the firm's bank account(s).
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Case Study exercises to practise accountancy concepts. 3. Problem solving exercises to practise accountancy methods. 	

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> • Objectives of course. • Review of course outline. • Review of proposed coursework.
Theory	<ul style="list-style-type: none"> • Capital and Revenue Expenditure. • Accountancy Concepts. • Introduction to Accounting Standards and Generally Accepted Accounting Principles. • Users of Accountancy Information. • Types of Businesses (Company, Partnership, Sole Trader etc.).
Books of Prime Entry	<ul style="list-style-type: none"> • Purchases. • Sales. • Returns.
Double Entry Bookkeeping	<ul style="list-style-type: none"> • Overview of the Bookkeeping and Accounting System.
Posting Books of Prime Entry to Ledger	<ul style="list-style-type: none"> • Petty Cash Book. • Cash Book (Cash Receipts and Cheque Payments). • Rules of Double Entry.
Control Accounts	<ul style="list-style-type: none"> • Receivables Control. • Payables Control.
Ledger Accounts Double entry to Trial Balance	<ul style="list-style-type: none"> • Review of double entry system. • Ledger accounts. • Trial Balance.
Theory	<ul style="list-style-type: none"> • Depreciation. • Accruals and Prepayments.
Adjustments to Final Accounts	<ul style="list-style-type: none"> • Inventory. • Expenses Due /Prepaid. • Depreciation. • Actual Bad Debts. • Provision for Bad Debts. • Correction of Errors.
Final Accounts	<ul style="list-style-type: none"> • Income Statement. • Statement of Financial Position.
Interpretation of Accounts	<ul style="list-style-type: none"> • Profitability Ratios. • Liquidity Ratios. • Efficiency Ratios.

Unit 2: Introduction to Finance

Level	4	Code	AF02/2020
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice). 			
Unit description	<p>This module will provide learners with the ability to evaluate the financing of a company. It will also develop the students' knowledge of business investment practice and will introduce the learner to Corporate Governance.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Understand corporate governance and how it relates to finance.	1.1 Explain the separation of management and ownership in the corporate form. 1.2 Critically examine the agency problem. 1.3 Outline the reason for the development of corporate governance. 1.4 Discuss the main features of the corporate governance code.	a. Corporate Management Structure b. The Agency Problem c. Corporate failures and their impact on shareholders d. Development of Corporate Governance e. Corporate Governance Code f. Corporate Social Responsibility	
2. Know how to identify and explain the typical sources of finance used by a company.	2.1 Describe the key methods that a company can utilise to fund itself. 2.2 Outline the role of the capital markets in providing finance to businesses. 2.3 Discuss the importance of the capital markets. 2.4 Recognise the relationship between risk and	a. Share capital b. Debt as a source of long-term funding c. Preference shares d. Role of the Stock Exchange and other capital markets in providing business funding e. Valuing financial assets f. The risk / reward dynamic	

	reward in investment.	
3. Understand how to make capital investment decisions using cash flow.	<p>3.1 Apply a range of financial decision-making techniques to a given situation.</p> <p>3.2 Describe the importance of the time value of money when making an investment decision.</p> <p>3.3 Justify discounting cash flows when deciding whether or not to make an investment.</p> <p>3.4 Calculate the Net Present Value for a given set of cash flows.</p> <p>3.5 Calculate the Internal Rate of Return for a given set of cash flows.</p> <p>3.6 Evaluate investment decisions based on discounted cash flow techniques.</p>	<p>a. Introduction to financial decision-making techniques, including Pay-Back Period and Accounting Rate of Return</p> <p>b. The economic cycle and inflation</p> <p>c. Discounting cash flows for better decision-making</p> <p>d. Using discount rates other than inflation</p> <p>e. Calculating the Net Present Value and making an investment recommendation</p> <p>f. Calculating the Internal Rate of Return and making an investment recommendation</p>
4. Know how to analyse the effectiveness of a company's working capital management system.	<p>4.1 Define working capital and explain its importance to a company.</p> <p>4.2 Identify the elements of a company's working capital and how they interact with one another.</p> <p>4.3 Calculate the Economic Order Quantity and related inventory management calculations.</p> <p>4.4 Discuss credit policies and using techniques for managing debt.</p>	<p>a. Identify and explain the firm's Current Assets</p> <p>b. Economic Order Quantity, Reorder Level, Minimum Level, Maximum Level, and Reorder Quantity</p> <p>c. Identify and explain the firm's Current Liabilities</p> <p>d. Discuss the granting and receipt of credit</p> <p>e. Working capital cycle and the need for funding</p> <p>f. Overtrading</p>

	<p>4.5 Calculating and evaluating the working capital cycle for a firm.</p> <p>4.6 Discuss the impact of overtrading on a company's financial security.</p>	
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases. 	

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> ● Objectives of the course. ● Course Outline.
Corporate Governance	<ul style="list-style-type: none"> ● Corporate scandal case studies such as Polly Peck, Enron, Anglo Irish Bank, and Tesco reporting 2014. ● The Agency Problem. ● The Corporate Governance Code. ● Corporate Social Responsibility.
Business Finance	<ul style="list-style-type: none"> ● Major sources of funding. <ul style="list-style-type: none"> ○ Equity ○ Debt ● The role of Capital Markets. ● Cost of capital. ● Risk and reward.
Capital Investment, Introduction and Non-Discounted Cash Flow Techniques	<ul style="list-style-type: none"> ● Decision-Making Process using cash flows. ● Relevant and irrelevant costs and income. ● Payback Period. ● Accounting Rate of Return.
Capital Investment, Discounted Cash Flow Techniques	<ul style="list-style-type: none"> ● Inflation and the Time Value of Money. ● Discounted Cash Flow – choosing a discount rate. ● Net Present Value. ● Internal Rate of Return. ● Using Net Present Value and Internal Rate of Return to make an investment decision.
Working Capital Management, an introduction	<ul style="list-style-type: none"> ● The importance of liquidity to a business. ● Current Assets: <ul style="list-style-type: none"> ○ Inventory ○ Receivables ○ Cash and Bank ○ Prepayments ● Current Liabilities: <ul style="list-style-type: none"> ○ Payables ○ Overdrafts ○ Accruals ○ Other short-term debt
Working Capital Management, Economic Order Capital	<ul style="list-style-type: none"> ● The cost of holding stock ● Stock management <ul style="list-style-type: none"> ○ Calculations ○ Economic Order Quantity ○ Reorder Level ○ Minimum Level ○ Maximum Level

	<ul style="list-style-type: none"> o Reorder Quantity
Working Capital Management, the Working Capital Cycle	<ul style="list-style-type: none"> • Inventory Days • Payables Days • Receivables Days • Calculating and interpreting the Working Capital Cycle • Overtrading

Unit 3: Cost Accounting

Level	4	Code	AF03/20202
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice). 			
Unit description	<p>This module will provide learners with an introduction to the role of cost accounting and the cost accountant. It will explore the areas of inventory valuation, overhead allocation, costing and budgeting. It will explore the nature of costs and how they are treated.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Know who the main users of Financial Information and the reasons that they require that information.	1.1 List the main users of financial information. 1.2 Outline the needs of the users of financial information. 1.3 Differentiate between Management Accounting information and Financial Accounting Information.	a. Users of financial information b. Different needs of the different users of financial information c. Financial information for internal use vs financial reporting to the shareholders and third parties d. Using non-financial information	
2. Understand how to classify the major types of costs that arise for business.	2.1 Give an explanation of "cost". 2.2 Differentiate Fixed costs from Variable costs. 2.3 Distinguish production costs from non-production costs. 2.4 Describe the features of cost of differing classification (including Direct and Indirect Costs).	a. Review the nature of business expenses b. Fixed Costs and Variable Costs c. Direct Costs and Indirect Costs d. Manufacturing costs and support costs e. Work-in-Progress	

<p>3. Know how to value a company's materials costs and inventory and allocate variable costs to a unit of product and service.</p>	<p>3.1 Describe a number of methodologies that are used to value materials and inventory.</p> <p>3.2 Discuss the positive and negative aspects of different valuation processes.</p> <p>3.3 Discuss the valuation of inventory in a financial accounting context.</p> <p>3.4 Calculate the cost of Direct Labour and Variable Overheads.</p> <p>3.5 Allocate Direct Costs.</p>	<p>a. First-in-First-Out materials valuation</p> <p>b. Last-in-First-Out materials valuation</p> <p>c. Weighted Average Cost materials valuation</p> <p>d. Advantages and disadvantages of each of the above</p> <p>e. Ancillary costs such as transport and storage, security etc</p> <p>f. Accounting valuation of inventory, the lower of cost and net realisable value</p> <p>g. Allocating variable costs</p>
<p>4. Understand how to allocate indirect costs to the unit cost of a good or service.</p>	<p>4.1 Describe the difference between allocating direct costs and allocating indirect costs to one unit of a product.</p> <p>4.2 Apply the appropriate procedures for allocating indirect costs.</p> <p>4.3 Develop an overhead absorption rate for one unit of a product.</p> <p>4.4 Utilise the overhead absorption rate to calculate the cost of a job, batch and contract.</p> <p>4.5 Compute the cost of a product or service using Activity Based Costing.</p>	<p>a. Difficulty of allocating indirect costs to a unit of a product or service</p> <p>b. Apportioning overheads to determine unit costs</p> <p>c. Calculating the total cost of a product using direct and indirect costs</p> <p>d. Choosing the appropriate method of cost allocation</p> <p>e. Calculating an overhead absorption rate</p> <p>f. Calculating the cost of a job, batch and contract</p> <p>g. Activity based costing</p>
<p>5. Know how to prepare an Operational Budget, a Capital Budget, and a Cash Budget.</p>	<p>5.1 List the main reasons to prepare a budget.</p> <p>5.2 Describe the budget setting process.</p> <p>5.3 Differentiate an Operational Budget</p>	<p>a. The purpose of budgeting</p> <p>b. The reasons to prepare a budget</p> <p>c. Types of budget</p>

	<p>from a Capital Budget and from a Cash Budget.</p> <p>5.4 Prepare an Operational Budget.</p> <p>5.5 Prepare a Capital Budget.</p> <p>5.6 Prepare a Cash Budget.</p> <p>5.7 Compute and interpret a Flexed Budget.</p>	<p>d. Cash transactions v income and expenditure</p> <p>e. Prepare different budget types, then compare them</p> <p>f. Flexing a budget</p> <p>g. Interpreting a flexed budget</p>
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases. 	

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> • The structure of the course and the main areas to be considered. • Management Accounting v Financial Accounting.
Inventory Valuation	<ul style="list-style-type: none"> • Unit costing. • Direct costs and indirect costs. • FIFO, LIFO, Weighted Average. • Net Realisable Value.
Other Direct Costs	<ul style="list-style-type: none"> • Direct Labour. • Direct Overheads.
Indirect costs and Absorption Costing	<ul style="list-style-type: none"> • The nature of indirect costs. • Techniques for allocating indirect costs. • Calculating the total cost of a product combining direct costs and indirect costs using overhead absorption rates.
Alternatives to Absorption Costing	<ul style="list-style-type: none"> • Problems with traditional costing methods such as absorption costing. • Activity Based Costing: <ul style="list-style-type: none"> o Cost pools. o Identifying activities, the cost drivers. o Calculating the cost per driver. o Allocation of the cost per driver to a unit of product.
Budgeting	<ul style="list-style-type: none"> • Reasons to prepare a budget. • Types of budget. • The budgeting process. • Preparing a budget. • Flexing a budget. • Interpreting the results of flexing a budget.

Unit 4: Business Management

Level	4	Code	AF04/2020
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice). 			
Unit description	This module will provide learners with practical knowledge of the current business management theory and practice.		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Understand the Business Organisations and Stakeholders.	1.1 List and explain the typical legal structures utilised by a typical business. 1.2 Describe stakeholder theory and list the interests of the business stakeholders. 1.3 Debate the positive and negative impact of the adoption of stakeholder theory in business.	a. Sole Trader b. Partnership c. Limited Company d. Stakeholder theory e. Corporate Governance systems	
2. Know the key management theories and practices.	2.1 Describe the features of the Scientific Management technique as developed by FW Taylor. 2.2 Describe the features of the Human Relations Movement developed in part by Elton Mayo. 2.3 Describe the features of Henri	a. FW Taylor's theories of the scientific analysis and design of work b. Elton Mayo's Hawthorne Studies and the development of the Human Relations Movement c. Fayol's theory of effective management practice d. Systems approach to management e. Contingency theory	

	Fayol's theory of management. 2.4 Recognise the modern theories of management.	
3. Know how to undertake a strategic review of a market.	3.1 Differentiate strategic planning from operational planning. 3.2 Utilise PEST analysis to evaluate the conditions and opportunities in a market. 3.3 Utilise SWOT analysis to evaluate the company and its market.	a. Long-term planning in business b. Political conditions c. Economic conditions d. Social norms e. Technical developments f. Strengths of the company g. Weaknesses of the company h. Opportunities available to the company in the market i. Threats to the position of the company in the market
4. Understand the main business and management structures.	4.1 Classify the different management structures observable within a business organisation. 4.2 Differentiate tall organisations from flat organisations. 4.3 Describe the main features of a business planning. 4.4 Outline the importance of entrepreneurship in the economy. 4.5 Differentiate between franchising and other forms of business, and compare the pros and cons of each.	a. Components of the organisation (Mintzberg) b. Entrepreneurial organisation structure c. Functional Divisions d. Geographic Divisions e. Matrix organisation f. Span of control g. Scalar chain
5. Understand the main features of the Human Resources Function.	5.1 State the main responsibilities of the Human Resources function.	a. Human Resource Management b. Job Design c. Training and development

	<p>5.2 Analyse the requirements of a job and utilise the result in the recruitment and selection process.</p> <p>5.3 Describe the role of training and development in a well-designed Human Resource function.</p> <p>5.4 Review the theories of motivation.</p> <p>5.5 Explain the impact of rewards and benefits on performance management.</p> <p>5.6 Identify the factors that contribute to effective employee engagement.</p>	<p>d. Motivating individuals and teams</p> <p>e. Impact of reward systems on motivation (two-factor theory)</p> <p>f. Employee engagement</p>
<p>6. Know the key features of the production, research and development, marketing and control functions within a business.</p>	<p>6.1 List the features of traditional production methods and modern production methods.</p> <p>6.2 Discuss the methods used by firms to develop new products and services.</p> <p>6.3 Examine the mechanisms used in the control of the operations of a business.</p> <p>6.4 Consider the role of marketing in a firm, and its impact across business operations.</p>	<p>a. Traditional approach to manufacturing</p> <p>b. Just-in-Time Manufacturing</p> <p>c. Developing and launching new products</p> <p>d. Business planning and control</p> <p>e. Internal controls</p> <p>f. Strategic Marketing and its role in planning and development</p>
<p>7. Understand the main features of business information systems.</p>	<p>7.1 Distinguish between data and information.</p> <p>7.2 Explain the importance of effective management communication and</p>	<p>a. Data v information</p> <p>b. Communications systems in business</p> <p>c. Traditional approach to the deployment of Information Technology</p>

	<p>describe how it might be achieved.</p> <p>7.3 Discuss the characteristics and advantages of a company being a "Learning Organisation.</p> <p>7.4 Develop a social media plan for a business.</p>	<p>d. The Learning Organisation</p> <p>e. Social media as a customer communications platform</p> <p>f. Social Media Plan</p>
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> ● Study materials and exam kits. ● Tutor support via email and telephone. ● Mock exams. ● Online learning resources including regular knowledge checks and on-demand practice questions. ● Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> ● Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. ● Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. ● Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases 	

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> • The structure of Business Management.
The business organisation and Stakeholders.	<ul style="list-style-type: none"> • Main structures used to establish and run a business. • Stakeholder theory of business management. • Corporate governance and the role of the Board.
Management Theory and Practice	<ul style="list-style-type: none"> • Scientific Management Theory. • Human Relations Theory. • Classical Management. • Modern theories of management – Systems Approach. • Modern theories of management – Contingency Approach.
Strategy.	<ul style="list-style-type: none"> • Analysing the current conditions: <ul style="list-style-type: none"> o PEST analysis o SWOT analysis • Strategy evaluation. • Strategic choices. • Implementing strategic choices.
Business and Management Structures.	<ul style="list-style-type: none"> • Components of the Organisation (Mintzberg): <ul style="list-style-type: none"> o Strategic Apex. o Middle Line. o Operating Core. o Techno-Structure. o Support Staff. • Organisation Structure: <ul style="list-style-type: none"> o Entrepreneurial. o Functional. o Divisional. o Matrix. • Scalar Chain. • Span of Control.
The Human Resource Function.	<ul style="list-style-type: none"> • Recruitment and Selection. • Appraisal of Performance. • Performance Management. • Training and Development. • Pay and Benefits. • Industrial Relations.
Production, Research and Development, Marketing and Control functions	<ul style="list-style-type: none"> • Traditional manufacturing systems. • Just-in-Time manufacturing. • Total Quality Management. • Innovation. • Developing a new product. • Introducing a new product.

	<ul style="list-style-type: none"> ● Strategic Marketing. ● Systems for controlling employees' activities. ● Internal controls for effective management and reporting: <ul style="list-style-type: none"> ○ Control Environment. ○ Control Processes.
Business Information Systems and Communications	<ul style="list-style-type: none"> ● Data and information theory. ● System types <ul style="list-style-type: none"> ○ Transaction Processing Systems ○ Management Information Systems ○ Decision Support Systems ○ Executive Information Systems ● Information Technology. ● Learning Organisation. ● Communication theory and systems.

Unit 5: Corporate Finance

Level	4	Code	AF05/2020
GLH	30	TQT	48
<p>Prerequisites – Students must have completed and passed the module “Introduction to Finance” before progressing to this module.</p> <p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice) 			
Unit description	<p>This module will build on the learning from Introduction to Finance and will develop further their knowledge of investment appraisal, and financial management. It will also develop the learner's understanding of the capital markets and foreign exchange.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Understand how to use discounted cash flow techniques and business funding.	<p>1.1 Decide on whether or not to take on a project by utilising discounted cash flow techniques.</p> <p>1.2 Extrapolate existing knowledge to more complex discounted cash flow techniques and to make more complex decisions.</p>	<p>a. Net Present Value (NPV)</p> <p>b. Internal Rate of Return (IRR)</p> <p>c. Advanced NPV and IRR calculations</p>	
2. Know how to evaluate the expected return of a project using Sensitivity Analysis and Opportunity Costs.	<p>2.1 Utilising probabilities to evaluate uncertainties in financial projections.</p> <p>2.2 Calculating the expected return for a project when multiple possible financial outcomes are assessed based on probability.</p> <p>2.3 Describe what is meant by “Opportunity Cost”</p>	<p>a. Relevant and irrelevant costs when calculating the return on a project or investment</p> <p>b. Probability and projected returns</p> <p>c. Expected return</p> <p>d. ‘Opportunity cost’ definition</p> <p>e. Calculate the cost of a project or investment taking opportunity costs into account</p>	

	<p>when applied to funding a business.</p> <p>2.4 Calculate the return on a project when taking opportunity cost into account.</p>	<p>f. Relevant and irrelevant costs</p>
<p>3. Understand and Classify the Sources of Finance available to a Firm.</p>	<p>3.1 Indicate the main sources of finance available to a firm.</p> <p>3.2 Critically evaluate the cost and risk of the main sources of finance available to a firm.</p> <p>3.3 Discuss the different processes utilised to issue new shares.</p> <p>3.4 Describe the different forms of secured long-term debt.</p> <p>3.5 Outline the hybrid financing instruments used by firms.</p>	<p>a. Short-term and Long-Term Financing</p> <p>b. Ordinary shares</p> <p>c. Preference Shares</p> <p>d. Long-Term Debt</p> <ul style="list-style-type: none"> - Bonds - Debentures - Long-term loans <p>e. Coupon rates</p> <p>f. Cost of all forms of financing</p>
<p>4. Understand the main features of share capital.</p>	<p>4.1 Outline the reasons for issuing shares.</p> <p>4.2 Describe the main options available to a company for issuing shares.</p> <p>4.3 Differentiate an Initial Public Offering from a Secondary Public Offering.</p> <p>4.4 Differentiate Public Offerings from rights issues.</p> <p>4.5 Distinguish the Primary Capital Markets from the Secondary Capital Markets.</p> <p>4.6 Specify the advantages and disadvantages of a stock exchange listing.</p>	<p>a. Existing investment in private companies</p> <p>b. Share placements</p> <p>c. Initial Public Offering on a stock exchange</p> <p>d. Secondary Public Offering on a Stock Exchange</p> <p>e. Placing shares on the primary market and trading shares on the secondary market</p> <p>f. Costs of placing shares</p> <p>g. Dilution of ownership</p> <p>h. Distraction of management</p>

<p>5. Know how to determine the cost of the major forms of capital.</p>	<p>5.1 Calculate the cost of ordinary shares. 5.2 Calculate the cost of debt, taking into account the tax shield. 5.3 Calculate the cost of preference shares. 5.4 Calculate the Theoretical Ex-Rights Price (TERP) of a share.</p>	<p>a. Dividends and shareholders expectations b. Share trading and share price as a return on investment c. Debt and gearing d. The impact of the tax shield on the cost of debt e. Typical features of preference shares f. Cost of a preference share g. Calculating the Theoretical Ex-Rights Price of a share after a share placement</p>
<p>6. Understand the Efficient Market Hypothesis and how the theory may apply to capital markets.</p>	<p>6.1 Discuss the underlying assumptions of the Efficient Market Hypothesis. 6.2 Explain the Weak-Form of the Efficient Market Hypothesis. 6.3 Explain the Semi-Strong form of the Efficient Market Hypothesis. 6.4 Explain the Strong form of the Efficient Market Hypothesis. 6.5 Draw conclusions on which form is most likely to apply to the capital markets.</p>	<p>a. Introduction to the Efficient Market Hypothesis (EMH) as a basis for considering the operation of the capital markets b. Information as a determinant of the efficiency of a market c. Weak Form EMH and the availability of market moving information d. Semi-Strong Form EMH and the availability of market moving information e. Strong-Form EMH and the availability of market moving information f. Consider the capital markets and consider which EHM form is the most appropriate to describe the markets operations</p>
<p>7. Know about further financing options available to a company.</p>	<p>7.1 Discuss leasing as a form of business finance.</p>	<p>a. Leasing an asset b. Operating Lease c. Finance Lease d. Venture capital investors</p>

	<p>7.2 Explain the availability and use of venture capital.</p> <p>7.3 Discuss the funding options open to small businesses and early-stage start-ups.</p>	<p>e. Venture capital exit strategies</p> <p>f. Angel investors</p>
8. Understand the key features of the Foreign Exchange Markets.	<p>8.1 Examine the importance of the Foreign Exchange Markets.</p> <p>8.2 Discuss foreign exchange risk.</p> <p>8.3 Describe strategies that companies may employ to reduce foreign exchange risk.</p>	<p>a. International trade and the need for foreign currency</p> <p>b. The risks involved in conducting business in a currency other than that of the companies' home currency</p> <p>c. Strategies used to reduce foreign exchange risk</p>
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases 	

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> ● Recap of the content of Introduction to Finance. ● Introduction to the learning outcomes of the course. ● Revision of the mathematics of discounting and investment appraisal.
Net Present Value – dealing with more complex situations	<ul style="list-style-type: none"> ● Situations where there are investments in fixed assets or working capital required part way through the project. ● Changes in sales price and / or sales unit volume from one year to the next. ● Changes in the unit cost of materials and / or the number of units required.
Internal Rate of Return	<ul style="list-style-type: none"> ● Calculating the Internal Rate of Return of more involved scenarios.
Sensitivity Analysis and Opportunity Costs	<ul style="list-style-type: none"> ● Possible returns on an investment and the probability of the different returns. ● Calculating the expected return when provided with relevant financial information. ● The impact of opportunity costs on the investment decision-making process. ● Evaluating an investment with opportunity costs.
Deeper exploration of the sources of capital available to a company	<ul style="list-style-type: none"> ● Long and Short-Term sources of Capital. ● Internally generated sources of Finance. ● External Sources of Finance. ● Share capital v Debt v Preference Shares.
Shares as a form of finance and the capital markets.	<ul style="list-style-type: none"> ● The advantages and disadvantages of issuing more shares when trying to raise additional capital. ● The dilution of ownership. ● Issuing shares via a rights-issue. ● Issuing shares via an Initial Public Offering. ● Issuing shares via a Secondary Public Offering. ● The Primary Markets v Secondary Markets. ● The advantages and disadvantages of listing a company's shares on a stock market.
The Cost of Capital	<ul style="list-style-type: none"> ● The cost of shares: <ul style="list-style-type: none"> ○ Cost to issue ○ Cost of dividends ○ Meeting shareholders expectations ○ Compliance requirements. ● The cost of debt: <ul style="list-style-type: none"> ○ Interest payments / coupon rate ○ Insolvency risk ○ Tax shield.

	<ul style="list-style-type: none"> ● The cost of preference shares: <ul style="list-style-type: none"> ○ Preference Dividend.
The Efficient Market Hypothesis	<ul style="list-style-type: none"> ● Underlying assumptions of the Efficient Market Hypothesis. ● Effect on decision-making if the Efficient Market Hypothesis is accepted. ● Types of Efficient Market: <ul style="list-style-type: none"> ○ Weak ○ Semi-Strong ○ Strong. ● Criticisms of the Efficient Market Hypothesis.
Other forms of Business Finance	<ul style="list-style-type: none"> ● Acquiring capital items using a lease: <ul style="list-style-type: none"> ○ Finance lease, leading to ownership of the asset. ○ Operating lease, renting the use of the asset for a period. ● Venture Capital: <ul style="list-style-type: none"> ○ Professional early-stage investors. ○ The exit. ● Angel Investors: <ul style="list-style-type: none"> ○ Very early-stage investors – immediately at start-up or shortly after. ○ Amateur v Professional Angel Investors.
Trading internationally using foreign exchange	<ul style="list-style-type: none"> ● Exchange rate risk. ● The Foreign Exchange Markets. ● Floating rate v fixed rate. ● Hedging against exchange rate risk.

Unit 6: Management Accounting

Level	4	Code	AF06/2020
GLH	30	TQT	48
<p>Prerequisites – Students must have completed and passed the module “Cost Accounting” before progressing to this module.</p> <p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice) 			
Unit description	This module will build on the learning in Cost Accounting and will introduce a number of more advanced costing and management accounting techniques.		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Understand the role of Management Accounting in the provision of internal management information within an organisation.	1.1 Describe the role of management accounting information as outlined in the Cost Accounting module. 1.2 Differentiate internal management information from external reporting. 1.2 Discuss the role of the Management Accountant and compare it to that of the Financial Accountant.	a. Use of cost accounting b. Company use of internal information compared to reporting to external stakeholders c. The role and function of the Management Accountant and how it differs from the role and function of the Financial Accountant d. Revision of major terms and concepts learned in Cost Accounting	
2. Understand the use of non-financial measures in Management Accounting.	2.1 Explain why non-financial factors may impact on corporate decision-making. 2.2 Identify specific non-financial issues that should be considered before making a final decision.	a. Non-financial performance information b. Key Performance Indicators c. Balanced Scorecard d. Developing Non-Financial Indicators	

	<p>2.3 Describe the role and function of the Balanced Scorecard, particularly in relation to its use of non-financial indicators.</p> <p>2.4 Develop non-financial indicators based on case-studies presented.</p> <p>2.5 Discuss the features and uses of corporate performance dashboards.</p>	<p>e. Taking non-financial decision-making criteria into account</p> <p>f. The growth of the performance dashboard</p>
<p>3. Understand the relationship between variations in activity with changes in revenue, expenses and profit using Cost, Volume and Profit (CVP).</p>	<p>3.1 Define and calculate "Contribution" in Management Accounting.</p> <p>3.2 Determine how many product or service units must be sold in order to break even.</p> <p>3.3 Calculate the impact on profit of a decision to reduce the unit sales price in an effort to increase the number of units sold.</p> <p>3.4 Compute the variation in financial results for a given variation in volume.</p> <p>3.5 Calculate the Margin of Safety to determine how far above the break-even point current sales are.</p> <p>3.6 Explain the use of probability when determining an expected value.</p>	<p>a. Contribution v Profit</p> <p>b. Use of Contribution in decision-making</p> <p>c. Breaking-even v making a profit</p> <p>d. Varying input assumptions to calculate predicted future profit</p> <p>e. Linear CVP relationships</p> <p>f. Non-Linear CVP relationships</p> <p>g. Margin-of-Safety</p> <p>h. Probability and Expected Value</p>
<p>4. Know how to compute and interpret variances.</p>	<p>4.1 Distinguish the types of variance that a Management</p>	<p>a. Variance Analysis</p> <p>b. Sales Variance</p> <p>c. Material Price Variance</p>

	<p>Accountant might calculate.</p> <p>4.2 Calculate a range of variances based on financial information provided.</p> <p>4.3 Interpret the results of the variance calculations and make recommendations to management on possible courses of action.</p> <p>4.4 Reconcile budgeted costs to actual costs via variance analysis.</p>	<p>d. Material Usage Variance</p> <p>e. Labour Rate Variance</p> <p>f. Labour Efficiency Variance</p> <p>g. Variable Overhead Expenditure Variance</p> <p>h. Variable Overhead Efficiency Variances</p> <p>i. Fixed Overhead Variances</p> <p>j. Reconciliation of variances and actual figures</p>
<p>5. Understand the difference between Marginal Costing and Absorption Costing, and make decisions using Marginal Costing.</p>	<p>5.1 Describe the differences between absorption costing and marginal costing.</p> <p>5.2 Explore further the use of contribution based financial decision-making.</p> <p>5.3 Differentiate period costs from product costs.</p> <p>5.4 Construct a marginal costing profit statement.</p> <p>5.5 Compare and reconcile a marginal costing computation with an absorption costing calculation.</p>	<p>a. Marginal Costing v Absorption Costing Systems</p> <p>b. Contribution as a basis for decision-making</p> <p>c. Period Costs</p> <p>d. Product Costs</p> <p>e. Marginal Cost Profit Statement</p> <p>f. Reconciliation of Marginal Cost Computation to Absorption Cost Computation</p>
<p>6. Know how to use a process costing system.</p>	<p>6.1 Describe the features and use of process costing systems.</p> <p>6.2 Calculate process costs.</p> <p>6.3 Explain the treatment of normal and abnormal losses.</p> <p>6.4 Compute equivalent units and explain their use.</p>	<p>a. Nature of a process costing system</p> <p>b. Process costing for fully completed processes</p> <p>c. Process costing for incomplete processes</p> <p>d. Abnormal losses</p> <p>e. Calculating and interpreting equivalent units</p> <p>f. Valuing Process Waste</p>

	6.5 Include the treatment of waste in the calculation of process costs.	
7. Understand Activity Based Costing (ABC) and how it differs from Traditional Costing Methods.	<p>7.1 Criticise the use of Absorption Costing.</p> <p>7.2 Explain the need for a more accurate cost allocation technique.</p> <p>7.3 Describe the concept of a Cost Pool.</p> <p>7.4 Describe the concept of a Cost Driver.</p> <p>7.5 Outline the methodology for allocating overhead costs using ABC.</p> <p>7.6 Utilise the ABC methodology to allocate overhead costs.</p>	<p>a. Inaccuracy of traditional Absorption Costing</p> <p>b. Need for an alternative cost allocation method for indirect overheads</p> <p>c. Activity based costing:</p> <ul style="list-style-type: none"> - Identify activities - Assign activities to cost pools - Identify appropriate cost drivers - Allocating indirect overheads using cost drivers - Assigning costs to a product
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class. 	
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements. 	
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 	

	<ol style="list-style-type: none">4. Interactive classroom discussions: it is very important that students actively participate.5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases.
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Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> ● Review of Cost Accounting. ● Overview of the content of Management Accounting.
Non-Financial Performance Indicators	<ul style="list-style-type: none"> ● The importance of non-financial information in corporate decision-making. ● The role of Key Performance Indicators. ● The Balanced Scorecard. ● Performance Dashboards.
Cost Volume Profit	<ul style="list-style-type: none"> ● Contribution compared to Profit. ● Break-even Point. ● Product Costs. ● Period Costs. ● Use of CVP analysis. ● Margin of Safety. ● Probability and expected value.
Variance Analysis	<ul style="list-style-type: none"> ● Variances between budgeted costs and actual costs. <ul style="list-style-type: none"> ○ Sales Variance ○ Material Price Variance. ○ Material Usage Variance. ○ Labour Rate Variance. ○ Labour Efficiency Variance. ○ Variable Overhead Expenditure Variance. ○ Variable Overhead Efficiency Variances. ○ Fixed Overhead Variances. ○ Interpreting the variances and identifying their cause. ○ Reconciliation of variances and actual figures.
Marginal Costing	<ul style="list-style-type: none"> ● The concept of Margin in Economics. ● The concept of Margin in Management Accounting. ● Differentiating between contribution and profit. ● Profit calculation using marginal costing. ● Marginal Costing calculation v Absorption Costing calculation. ● Reconciling Marginal costing and Absorption Costing statements.
Process Costing	<ul style="list-style-type: none"> ● Introduction to Process Costing. ● Process costing for completed processes. ● Process costing for incomplete processes. ● Process costing to value waste. ● Abnormal losses. ● Equivalent Units.
Activity Based Costing	<ul style="list-style-type: none"> ● Limitations of Absorption Costing. ● Need for better allocation of indirect overheads.

	<ul style="list-style-type: none">• Creating cost pools by assigning activities of similar type to a single classification.• Identifying the activities that cause costs to be incurred.• Allocating indirect overheads to a product or service using cost drivers.• Assigning the costs to a product to obtain a product cost.
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Unit 7: Legal Environment for Business

Level	4	Code	AF07/2020
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice) 			
Unit description	<p>This module will provide learners with an introductory overview of the legal and regulatory environment that businesses operate in. Learners will be introduced to contract law, employment law and Health and Safety law.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Know the main categories of law applying to business including, the main sources of law, and the structure and jurisdiction of the Courts.	<p>1.1 Outline the main sources of business law.</p> <p>1.2 Describe the structure of the courts system, including the jurisdiction of courts.</p> <p>1.3 The importance of precedence in legal decisions.</p>	<p>a. Constitutional, statutory and common law</p> <p>b. Civil law and Criminal law</p> <p>c. The courts system, including its structure and jurisdiction</p> <p>d. International sources of law</p> <p>e. Precedence and the legal system</p>	
2. Understand the principles of contract law.	<p>2.1 List the conditions required to be in place to create a legally enforceable contract.</p> <p>2.2 Explain the requirement for offer and acceptance.</p> <p>2.3 Describe the nature of acceptable consideration.</p> <p>2.4 Outline the remedies available to when one of the parties breaches the contract.</p>	<p>a. The creation of a valid contract, including valid offer and acceptance, consideration, and the intent to create legal relations</p> <p>b. Terms of a contract, including implied terms</p> <p>c. Examples of situations where a contract may be considered invalid</p> <p>d. Breach of contract, effect and remedies</p> <p>e. Defences against a breach of contract action</p>	

<p>3. Understand the features of the law of tort and the different reliefs available.</p>	<p>3.1 Explain the meaning of "tort" in the business context.</p> <p>3.2 Describe the tort of negligence, including the duty of care owed to employees and customers.</p> <p>3.3 Outline the potential liabilities faced by employers, particularly with respect to health and safety.</p> <p>3.4 Identify the forms of relief available including damages and injunctive relief.</p>	<p>a. Differentiating between civil and criminal wrongdoing</p> <p>b. Breach of contract, breach of trust, breach of duty</p> <p>c. Vicarious liability</p> <p>d. Negligence</p> <p>e. Defamation</p> <p>f. Main types of relief available</p>
<p>4. Understand the statutory protections afforded to employees.</p>	<p>4.1 List the main provisions of health and safety law.</p> <p>4.2 Describe what constitutes unfair dismissal.</p> <p>4.3 Outline the major terms and conditions existing for an employee, including:</p> <ul style="list-style-type: none"> - Minimum wage - Notice periods for termination of employment - Record keeping (including tax and insurance records) - Industrial relations - Discrimination in the workplace. 	<p>a. The law of Employment</p> <p>b. The National Minimum Wage</p> <p>c. Tax law as applied to the keeping of records</p> <p>d. Duty of an employer to protect the health and safety of employees</p> <p>e. The legal framework governing Industrial Relations</p> <p>f. Anti-Discrimination provisions and their impact on running a business</p>
<p>5. Understand the legal principles provided for the establishment, ownership and management of a company.</p>	<p>5.1 Outline the main features of a company allowing it to exist as a separate legal entity.</p> <p>5.2 Provide guidance on the steps required to apply to the Registrar of Companies to establish a company.</p>	<p>a. The legal status of a company as a body corporate – separate legal personality</p> <p>b. The registration of a company</p> <p>c. The duties of the directors with respect to the running of a company</p>

	<p>5.3 Identify the role and function of a number of company stakeholders including the shareholders, the directors, the company secretary, and the management.</p> <p>5.4 Explain the key documents that a company must have in place, including its constitutional documents and its registers.</p> <p>5.5 Advise on the nature of limited liability as it applies to companies.</p>	<p>d. The role of the company secretary</p> <p>e. The constitutional documents, register of members, share register, register of charges and other registers</p> <p>f. Limited liability</p>
6. Understand the statutory protections afforded to customers.	<p>6.1 Describe the rights a customer is afforded by law.</p> <p>6.2 Outline the requirements providing that goods be of merchantable quality and fit for purpose.</p> <p>6.3 Identify the remedies available to consumers when they receive faulty goods.</p> <p>6.4 Describe the function of consumer protection regulators, including their complaints, investigation and enforcement powers.</p>	<p>a. Consumer protection law</p> <p>b. Competition law</p> <p>c. Distance selling regulations</p> <p>d. Online selling regulations</p> <p>e. Consumer protection regulators, functions and powers</p> <p>f. Making a claim under consumers' rights law</p>
Assessment method	Centre-devised and centre-marked assessment.	
Guidance on delivery	<p>All KPA Approved Centres provide a range of supports to students, including:</p> <ul style="list-style-type: none"> ● Study materials and exam kits. ● Tutor support via email and telephone. 	

	<ul style="list-style-type: none"> • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions. • Some centres will provide recordings of live lectures that the student can access in addition to attending class.
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements.
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case law in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases.

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> • Objectives of course. • Review of course outline. • Review of proposed coursework.
Background	<ul style="list-style-type: none"> • The Legal System. • Brief understanding of sources of law. • Civil and criminal law. • The courts system – including the importance of jurisdiction.
Contract Law	<ul style="list-style-type: none"> • The nature of a contract. • Contractual capacity. • Formation of a Contract: offer, acceptance, consideration. • Terms of a contract. • Remedies for breach of contract: <ul style="list-style-type: none"> o Damages o Specific performance.
Tort Law	<ul style="list-style-type: none"> • Civil as opposed to a criminal wrong. • Duty of care and other duties. • Limitation periods. • Remedies: <ul style="list-style-type: none"> o Damages o Injunctions.
Negligence	<ul style="list-style-type: none"> • Negligence as a Tort and Criminal Negligence. • Duty of care. • Breach of a duty of care. • Harm. • Causation. • Remoteness. • Vicarious liability. • Defences.
Employment Law	<ul style="list-style-type: none"> • Nature of an employment contract. • Employee statutory protections. • Terms of employment. • Unfair dismissal. • Equality and discrimination. • Redress open to employees.
Forms of Business Entity	<ul style="list-style-type: none"> • Sole-trader law and liability. • Partnership law and liability. • Companies and limited liability.
Company Law	<ul style="list-style-type: none"> • Statutory provisions relating to the formation and administration of a company.

	<ul style="list-style-type: none">● The nature of limited liability.● The company as a separate legal entity.● The constitution of a company.● Different types of company (particularly distinguishing public and private limited companies)● Appointment and removal of directors.● Directors duty (including the fiduciary duty of a director).● Company meetings.● Company governance and compliance provisions.● “Consumer Protection” and the bullet-points are:<ul style="list-style-type: none">○ Consumer Rights Act○ Law in relation to consumer rights and consumer protection.○ The Competition Act.○ Unfair trading and unfair commercial practices.○ Consumer Protection from Unfair Trading Regulations.
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Unit 8: Accounting Software Systems

Level	4	Code	AF08/2020
GLH	30	TQT	48
<p>The total unit time for this module is 48 hours, this includes 30 hours of guided learning (GLH) and 18 hours of directed but unsupervised learning by the student. This will consist of some or all of the following:</p> <ul style="list-style-type: none"> • Pre-recorded E-learning • Self-Directed Reading • Independent learning (including exam question practice) 			
Unit description	<p>This module will provide learners with a practical introduction to the use of Sage50, Xero or other similar accounting software, and its use in the maintenance of business records, as well as its reporting features.</p>		
Learning outcome	Assessment criteria	Indicative content	
The learner will:	The learner can:		
1. Know how to set-up the accounting package to use for company accounting.	1.1 Enter permanent company information. 1.2 Review the VAT rates established at set-up and revise where necessary. 1.3 Enter bank account details. 1.4 Import customer and supplier information, including balances, from existing accounts packages.	a. Adding company information such as name, company number, address, tax reference number b. VAT rates in business c. Bank accounts d. Import features for customer and supplier data e. Entering individual customers and suppliers	
2. Understand how to record receipts and payments and manage the bank account(s).	2.1 Enter money received by the firm to the appropriate bank account. 2.2 Import bank statements from their bank or from a spreadsheet. 2.3 Apply receipts and payments against the appropriate transactions. 2.4 Record bank transfers between a firm's own accounts	a. Recording individual payments received against amounts owed b. Recording individual payments made against amounts due c. Importing bank statements d. Batch payment transactions	

	<p>as well as to external entities.</p> <p>2.5 Reconcile the firms' records to the bank statements.</p>	
<p>3. Know how to enter sales transactions and deal with debtors.</p>	<p>3.1 Record a credit sale.</p> <p>3.2 Enter and allocate credit notes to debtors for goods returned by the customer.</p> <p>3.3 Allocate receipts against debtor balances.</p> <p>3.4 Deal with bad debts.</p> <p>3.5 Record cash sales.</p>	<p>a. Sales invoicing</p> <p>b. Invoicing customers</p> <p>c. Receiving payments from customers and recording them</p> <p>d. Properly allocating receipts</p> <p>e. Customer credit notes</p> <p>f. Bad debts</p>
<p>4. Know how to enter purchases and deal with creditors.</p>	<p>4.1 Record a credit purchase.</p> <p>4.2 Apply credit noted from creditors for goods returned to the supplier.</p> <p>4.3 Enter cheque payments and allocate them against creditor accounts.</p> <p>4.4 Record cash purchases.</p>	<p>a. Purchase invoice records</p> <p>b. Issuing payments for credit purchases</p> <p>c. Proper allocation of payments to suppliers</p> <p>d. Supplier credit notes</p>
<p>5. Know how to generate an assortment of statutory and administrative reports.</p>	<p>5.1 Preview the VAT return.</p> <p>5.2 View a Trial Balance, including setting the start date and end date.</p> <p>5.3 View an Income Statement, including setting the period of the statement.</p> <p>5.4 View a Statement of Financial Position, including setting the period of the statement.</p> <p>5.5 Create an aged debtor and aged creditor list.</p> <p>5.6 Print a report or export in a required format.</p>	<p>a. VAT returns</p> <p>b. Trial balance</p> <p>c. Income Statement / Profit and Loss Account</p> <p>d. Statement of Financial Position / Balance Sheet</p> <p>e. Aged Debtors / Receivables</p> <p>f. Aged Creditors / Payables</p> <p>g. Printing from the accounting application</p> <p>h. Exporting to Microsoft Excel</p> <p>i. Exporting to Microsoft Word</p> <p>j. Exporting to PDF</p>

Assessment method	Centre-devised and centre-marked assessment.
Guidance on delivery	All KPA Approved Centres provide a range of supports to students, including: <ul style="list-style-type: none"> • Study materials and exam kits. • Tutor support via email and telephone. • Mock exams. • Online learning resources including regular knowledge checks and on-demand practice questions.
Learning resources	<ul style="list-style-type: none"> • Lecture rooms with multimedia resources and physical resources suitable for working in breakout groups. • Classroom / computer room with requisite (non-specialist) software required for the delivery of the programme. • Learning Management System for online elements.
Learning activities	<ol style="list-style-type: none"> 1. Presentation of concepts and theories using slides and video. 2. Analysis of relevant case studies in class. 3. Students will be expected to supplement the presentation materials by active note-taking. 4. Interactive classroom discussions: it is very important that students actively participate. 5. Students will be expected to explore the relevant materials in the core text each week, and to study the important cases.

Recommended Teaching Plan:

Course Outline	
Introduction	<ul style="list-style-type: none"> ● Review of course outline.
Explore Sage 50 and Set-Up for use	<ul style="list-style-type: none"> ● Navigating through your accounting software. ● User set-up and security. ● Introduction to the ledger system. ● Creating Tax Codes. ● Practical exercise.
Nominal Ledger and Chart of Accounts	<ul style="list-style-type: none"> ● The Chart of Accounts. ● Customising the Chart of Accounts and the Nominal Ledger. ● Adding, removing and editing the default Nominal Accounts. ● Exploring the types of accounts contained in the Nominal Ledger. ● Practical exercise.
Customer Transactions	<ul style="list-style-type: none"> ● Entering customer invoices. ● Entering customer credit notes. ● Receiving payments from customers and applying them appropriately. ● Generating customer reports. ● Practical Exercise.
Supplier Transactions	<ul style="list-style-type: none"> ● Entering supplier invoices. ● Entering supplier credit notes. ● Making payments to suppliers and recording them against the supplier balance. ● Generating supplier reports. ● Practical Exercise.
The Bank	<ul style="list-style-type: none"> ● Managing bank accounts. ● Managing credit card accounts. ● Managing cash accounts. ● Making payments directly from the bank account. ● Reconciling the bank balance in the accounts with the bank statement. ● Practical Exercise.
Value Added Tax	<ul style="list-style-type: none"> ● Overview of the relevant VAT schemes and rates. ● The VAT return. ● Producing VAT reports. ● Making a VAT payment or receiving a refund. ● Practical Exercise.
Other Matters	<ul style="list-style-type: none"> ● Producing a Trial Balance, Income Statement and Statement of Financial Position. ● Editing existing transactions.

	<ul style="list-style-type: none">• Voiding and deleting transactions.• Security and Data Privacy.• Practical Exercise.
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Third Party Arrangements

KPA will enter into a formal and legally binding agreement with all Third Parties who have a direct relationship in the design, development and delivery or award of the training and/or the assessments of a KPA Regulated qualification.

All third party contracts will require our partner to abide by Ofqual regulatory conditions in the same way as they apply to KPA.

Control and oversight

To maintain the integrity of our accredited qualifications, KPA will monitor work from our partners and arrange to meet them on a regular basis, with at least one annual visit.

KPA will appoint an External Quality Assurer (EQA) to confirm that all new applications from third parties are in compliance with all their contractual conditions. Continued compliance as a KPA partner will be verified through an annual Quality Assurance Review. If the EQA finds any instances of non-compliance these issues will be noted with an action plan agreed to correct those issues. Failure to comply will result in a breach of contract and face sanctions.

Assessors

Where the qualification is assessed within a KPA approved centre and is subject to KPA's quality assurance processes including internal and external verification.

Assessors must:

- be working in the occupational area they are assessing and have a minimum of three years' experience in the role
- have direct or related relevant experience in assessment

Centre Resources

KPA approved centres are required to provide the right human and physical resources needed to ensure the quality of the learner experience. Centres must ensure that staff have the appropriate level of subject knowledge, practical experience of the sector and are normally qualified to at least a degree standard. It is desirable that staff have a teaching and/or assessing qualification.

The physical resources required will vary depending on the style of delivery. Where distance or blended learning is used, KPA expects centres to have appropriate learning support materials, infrastructure and technology in place to meet student needs.

For units that require specific resources further information is given within the unit under 'Guidance on delivery and assessment'.

Access arrangements and Reasonable adjustments

KPA complies with the Equality Act 2010 and Ofqual general conditions of recognition regarding fair assessment.

Candidates are able to request alternative access due to a short-term or long-term indisposition. Students who require access arrangements must inform KPA via their MyKPA portal.

Access arrangements & reasonable adjustments

Access arrangements allow candidates with specific needs; such as special educational needs, disabilities or temporary injuries, to access an assessment. The purpose behind an access arrangement is to meet the particular needs of an individual candidate without affecting the integrity and demand of the assessment. Access arrangements are agreed before an assessment and the principal way in which KPA complies with its duty under the Equality Act 2010 to make 'reasonable adjustments'.

The adjustment put in place will depend upon the candidates' disability and that the adjustment can be reasonably delivered by KPA or its approved test centre.

An adjustment to be considered reasonable will depend on a number of factors, which will include, but are not limited to the:

- needs of the disabled candidate
- effectiveness of the adjustment
- cost of the adjustment
- likely impact of the adjustment

Special consideration

The special consideration process addresses circumstances specific to an individual exam, which are outside of the candidates control and which may have had an impact upon their exam performance.

For more information please contact kpaenquiries@kaplan.co.uk for a copy of our special consideration process.

Contact us

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