

Ch.1 Financial Analysis

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> ● Limitations of Accounting Ratio (16-Q1) <p>Case study</p> <ul style="list-style-type: none"> ● Total Assets Turnover Calculation (15-Q7) ● Factors affecting Total Asset Turnover (15-Q7) ● Aspects of Accounting Ratios (17-Q7) ● Calculate the trade receivables turnover (to 2 decimal places) of the firm for the year 2017. (18-Q4a) <p>Essay</p> <ul style="list-style-type: none"> ● Evaluation aspects of performance by Accounting Ratios (13-Q9) 	<ul style="list-style-type: none"> ● Definition of Financial Management ● Definition of Accounting Ratios, different types of Accounting ratios and the Aspects <u>respectively</u> ● Role of Financial Management ● Major decisions and functions of financial management ● Calculations of : <ul style="list-style-type: none"> ➤ Profitability Ratios ➤ Liquidity Ratios ➤ Gearing Ratios ➤ Inventory Turnover ➤ Trade Payables Turnover ● Types of Ratio Analysis

*Calculations of Gross profit ratio, Net Profit ratio, Return on capital employed has been assessed in Paper 1

Ch.2 Budgeting

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> ● Limitations of budgetary control (15-Q1) ● Describe two limitations of using budgetary control for the food truck business. (18-Q5b) <p>Case Study</p> <ul style="list-style-type: none"> ● Usefulness of Budgeting (management functions) (12-Q5) ● Causes of Budget Variance (13-Q9) ● Purposes of Budgeting (16-Q5) ● Causes of Favourable Sales Variance (16-Q5) <p>Essay</p>	<ul style="list-style-type: none"> ● Definition of Budgeting ● Definition of Budgeting Variance ● Budgeting Principles ● Important Points in Dealing with Variances ● Material Variance ● Labour Variance ● Remedial action for variances <ul style="list-style-type: none"> -Sales-volume variance -Price variance -Usage variance

*Causes of different budgeting variances has been tested in Practice Paper

Ch.3 Sources of Financing

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> ● Methods for long-term financing + its disadvantages (17-Q5) <p>Case Study</p> <ul style="list-style-type: none"> ● Sources of funds (12-Q7) (13-Q7) ● Problem (limitation) of using short-term loan (14-Q7) <p>Essay</p> <ul style="list-style-type: none"> ● Evaluating (compare) equity and debt financing (15-Q8) 	<ul style="list-style-type: none"> ● Definition of short-term and long-term financing ● Definition of equity and debt financing ● Definition of Refinancing ● Definition of internal and external financing ● Short-term Financing Methods ● Pros and cons of short-term and long-term financing ● Comparison between short-term and long-term financing ● Basic principles for selecting short-term or long-term financing ● Pros and cons of equity and debt financing ● Basic principles for selecting equity or debt financing ● Pros and cons of internal and external financing ● Comparison between internal and external financing ● Basic principles for selecting internal or external financing

Ch.4 Capital Investment Appraisal

Past Papers	Contents that are not tested yet
<p>SQ</p> <p>Case Study</p> <ul style="list-style-type: none"> ● NPV Calculation (17-Q6) ● Payback Period Calculation (17-Q6) ● NPV Calculation & Explanation (17-Q6) ● Application of Appraisal Methods (17-Q6) ● Based on the accounting rate of return and the net present value of the robotic arms project, should Sun Fung Company accept the project? Justify your answer with one reason. (18-Q6c) ● Explain two non-financial factors that would support the installation of the robotic arms. (18-Q6d) <p>Essay</p> <ul style="list-style-type: none"> ● NPV Elements & Illustration (12-Q8) ● NPV Calculation & Explanation (13-Q8) ● Payback Period Calculation (13-Q8) ● Limitation of Payback Period (13-Q8) ● Application of Appraisal Methods (14-Q8) 	<ul style="list-style-type: none"> ● Definition of Capital Investment ● Definition of Capital Investment Appraisal ● Definition of Different Appraisal Methods ● <u>Financial</u> factors affecting investment decisions ● Importance points concerning capital investment appraisal ● <u>Decision Rules</u> of different appraisal methods ● <u>Strengths</u> and <u>Weaknesses</u> of different appraisal methods ● <u>Comparison</u> on <u>usefulness</u> and <u>limitations</u> of different appraisal methods

Ch.5 Working Capital Management

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> ● 5Cs (Credit Policies) (13-Q2) (17-Q2) ● EOQ Model Sketching (14-Q2) ● Re-order Level Calculation (14-Q2) ● Describe the cost components for determining the EOQ of bicycles and explain how the total inventory cost can arrive at its minimum under this model. (18-Q7) <p>Case Study</p> <ul style="list-style-type: none"> ● Use of EOQ Model (12-Q6) ● Inventory Cost (12-Q6) ● Optimal Order Quantity Calculation (EOQ Model) (12-Q6) ● Credit Policies Elements & its Effects (12-Q7) (15-Q6) ● Ways to improve cash flows (Overall) (14-Q6) ● Ways to Tighten Credit Policies (15-Q6) ● Describe the operating cycle of the food truck business. (18-Q5i) ● Give one reason why the cash conversion cycle of the food truck business is relatively short. (18-Q5ii) ● With reference to your answer to (a) above, comment on any two elements of the credit policy of the firm. (18-Q4b) <p>Essay</p>	<ul style="list-style-type: none"> ● Definition of Working Capital Management ● Definition of Operating Cycle and Cash Conversion Cycle ● Definition of Cash Management ● Definition of Credit Policies Elements <u>respectively</u> ● Definition of Inventory Management ● Definition of EOQ Model ● Definition of Ordering Cost and Carrying Cost ● Definition of Re-order level ● Importance of Working Capital Management ● Description of Cycles ● Goals of Cash Management ● Float Management ● Principle of Cash Management ● Ways to deal with cash Surplus or deficiency in cash budgeting ● Importance of cash budgeting ● Principle of Accounts Payable Management ● Factors Affecting Accounts Payable Management ● Objectives of Inventory Management ● Factors in considering the safety stock level

Ch.6 Risk management

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> ● types of insurance (14-Q1) ● risk management strategies (15-Q2) ● Define pure and speculative risk (17-Q1) ● liability risk (of theme park) (17-Q1) <p>Case Study</p> <ul style="list-style-type: none"> ● Features of non-insurable risks (12-Q7) (16-Q7) (≈ features of insurable risks) ● risk management strategies (13-Q7) (16-Q7) ● types of Macro-environmental risk (14-Q7) ● Explain three types of risk management strategies that a shipping company may use to deal with the risk of pirate attacks and kidnapping. (18-Q1) <p>Essay</p>	<ul style="list-style-type: none"> ● Definition of risk ● Definition of Risk Management ● Definition of insurance ● Definition of Risk Management Strategies <u>respectively</u> ● Risk management process ● Types of pure risks ● Types of speculative risks ● Impact of risk on business activities ● Important points in choosing risk management strategies ● Insurance protection available to businesses