

## Ch.1 Financial Analysis

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> <li>● Limitations of Accounting Ratio (16-Q1)</li> </ul> <p>Case study</p> <ul style="list-style-type: none"> <li>● Total Assets Turnover Calculation (15-Q7)</li> <li>● Factors affecting Total Asset Turnover (15-Q7)</li> <li>● Aspects of Accounting Ratios (17-Q7)</li> </ul> <p>Essay</p> <ul style="list-style-type: none"> <li>● Evaluation aspects of performance by Accounting Ratios (13-Q9)</li> </ul>	<ul style="list-style-type: none"> <li>● Definition of Financial Management</li> <li>● Definition of Accounting Ratios, different types of Accounting ratios and the Aspects <u>respectively</u></li> <li>● Role of Financial Management</li> <li>● Major decisions and functions of financial management</li> <li>● Calculations of :               <ul style="list-style-type: none"> <li>➤ Profitability Ratios</li> <li>➤ Liquidity Ratios</li> <li>➤ Gearing Ratios</li> <li>➤ Inventory Turnover</li> <li>➤ Trade Receivables &amp; Payables Turnover</li> </ul> </li> <li>● Types of Ratio Analysis</li> </ul>

\*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"> <li>● Limitations of budgetary control (15-Q1)</li> </ul> <p>Case Study</p> <ul style="list-style-type: none"> <li>● Usefulness of Budgeting (management functions) (12-Q5)</li> <li>● Causes of Budget Variance (13-Q9)</li> <li>● Purposes of Budgeting (16-Q5)</li> <li>● Causes of Favourable Sales Variance (16-Q5)</li> </ul> <p>Essay</p>	<ul style="list-style-type: none"> <li>● Definition of Budgeting</li> <li>● Definition of Budgeting Variance</li> <li>● Budgeting Principles</li> <li>● Important Points in Dealing with Variances</li> <li>● Material Variance</li> <li>● Labour Variance</li> <li>● Remedial action for variances               <ul style="list-style-type: none"> <li>-Sales-volume variance</li> <li>-Price variance</li> <li>-Usage variance</li> </ul> </li> </ul>

\*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"> <li>● Methods for long-term financing + its disadvantages (17-Q5)</li> </ul> <p>Case Study</p> <ul style="list-style-type: none"> <li>● Sources of funds (12-Q7) (13-Q7)</li> <li>● Problem (limitation) of using short-term loan (14-Q7)</li> </ul> <p>Essay</p> <ul style="list-style-type: none"> <li>● Evaluating (compare) equity and debt financing (15-Q8)</li> </ul>	<ul style="list-style-type: none"> <li>● Definition of short-term and long-term financing</li> <li>● Definition of equity and debt financing</li> <li>● Definition of Refinancing</li> <li>● Definition of internal and external financing</li> <li>● Short-term Financing Methods</li> <li>● Pros and cons of short-term and long-term financing</li> <li>● Comparison between short-term and long-term financing</li> <li>● Basic principles for selecting short-term or long-term financing</li> <li>● Pros and cons of equity and debt financing</li> <li>● Basic principles for selecting equity or debt financing</li> <li>● Pros and cons of internal and external financing</li> <li>● Comparison between internal and external financing</li> <li>● Basic principles for selecting internal or external financing</li> </ul>

## 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"> <li>● NPV Calculation (17-Q6)</li> <li>● Payback Period Calculation (17-Q6)</li> <li>● NPV Calculation &amp; Explanation (17-Q6)</li> <li>● Application of Appraisal Methods (17-Q6)</li> </ul> <p>Essay</p> <ul style="list-style-type: none"> <li>● NPV Elements &amp; Illustration (12-Q8)</li> <li>● NPV Calculation &amp; Explanation (13-Q8)</li> <li>● Payback Period Calculation (13-Q8)</li> <li>● Limitation of Payback Period (13-Q8)</li> <li>● Application of Appraisal Methods (14-Q8)</li> </ul>	<ul style="list-style-type: none"> <li>● Definition of Capital Investment</li> <li>● Definition of Capital Investment Appraisal</li> <li>● Definition of Different Appraisal Methods</li> <li>● <u>Financial</u> factors affecting investment decisions</li> <li>● <u>Non-financial</u> factors affecting investment decisions</li> <li>● Importance points concerning capital investment appraisal</li> <li>● <u>Decision Rules</u> of different appraisal methods</li> <li>● <u>Strengths</u> and <u>Weaknesses</u> of different appraisal methods</li> <li>● <u>Comparison on usefulness</u> and <u>limitations</u> of different appraisal methods</li> </ul>

## Ch.5 Working Capital Management

Past Papers	Contents that are not tested yet
<p>SQ</p> <ul style="list-style-type: none"> <li>● 5Cs (Credit Policies) (13-Q2) (17-Q2)</li> <li>● EOQ Model Sketching (14-Q2)</li> <li>● Re-order Level Calculation (14-Q2)</li> </ul> <p>Case Study</p> <ul style="list-style-type: none"> <li>● Use of EOQ Model (12-Q6)</li> <li>● Inventory Cost (12-Q6)</li> <li>● Optimal Order Quantity Calculation (EOQ Model) (12-Q6)</li> <li>● Credit Policies Elements &amp; its Effects (12-Q7) (15-Q6)</li> <li>● Ways to improve cash flows (Overall) (14-Q6)</li> <li>● Ways to Tighten Credit Policies (15-Q6)</li> </ul> <p>Essay</p>	<ul style="list-style-type: none"> <li>● Definition of Working Capital Management</li> <li>● Definition of Operating Cycle and Cash Conversion Cycle</li> <li>● Definition of Cash Management</li> <li>● Definition of Credit Policies Elements <u>respectively</u></li> <li>● Definition of Inventory Management</li> <li>● Definition of EOQ Model</li> <li>● Definition of Ordering Cost and Carrying Cost</li> <li>● Definition of Re-order level</li> <li>● Importance of Working Capital Management</li> <li>● Description of Cycles</li> <li>● Goals of Cash Management</li> <li>● Float Management</li> <li>● Principle of Cash Management</li> <li>● Ways to deal with cash Surplus or deficiency in cash budgeting</li> <li>● Importance of cash budgeting</li> <li>● Principle of Accounts Payable Management</li> <li>● Factors Affecting Accounts Payable Management</li> <li>● Objectives of Inventory Management</li> <li>● Factors in considering the safety stock level</li> </ul>

## Ch.6 Risk management

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