

# Qualification Specification Certificate in Accountancy (RQF) Level 5

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## 1.0 Entry Requirements

Applications for student registration at level 5 are accepted from those who have a minimum of 2 A Level passes plus 3 GCSE passes with grade C or above (in five separate subjects including Mathematics & English) or equivalent UK or overseas qualification accepted for university entrance, or have a minimum three years' work experience in the accountancy profession.

Graduates with any degree discipline are welcome to apply.

Whole or part exemption from assessment at this level may be granted in respect of equivalent qualifications attained prior to student registration.

## 2.0 Objective

The Certificate in Accountancy forms the Foundation Level of the AIA Professional Qualification. The objective at this level of study is to provide students with a practical understanding of the techniques, principles and knowledge which will form the basis for further study of accounting. Upon completion of this certificate students will be equipped with basic accounting skills and knowledge and able to apply these in the workplace within controlled, supervised and routine situations.

## 3.0 Content

The Certificate in Accountancy is made up of eight core topics of study, assessed by six written, unseen, closed book exam papers. Each exam is three hours long with an additional fifteen minutes reading time. Students must achieve a mark of fifty per cent and meet the specified learning outcomes for each paper in order for a pass to be awarded. Students who do not satisfy these criteria will be notified of a fail. Marks or other grading is not provided.

Module A Paper Title	RQF Level	Total Qualification Time
1. Financial Accounting 1	5	81
2. Business Economics	5	33
3. Management Accounting 1	5	63
Module B Paper Title	RQF Level	Total Qualification Time
4. Law	4	53
5. Auditing & Taxation	5	95
6. Information Processing	4	43

All subjects in a Module must be taken together at the first attempt. Individual passes will be credited.

Any failed papers must be re-taken at the next consecutive exam session. All three subjects in Module A must be passed before proceeding to Module B.

Upon successful completion of Papers 1 to 6 students will be awarded the AIA Certificate in Accountancy RQF Level 5 and will be eligible to study for the Diploma in Accountancy RQF Level 6,

AIA's Professional Level 1 Qualification.

### 3.1 Coverage and Depth of Topics

Detailed information on each topic can be found in the AIA Syllabus.

Paper 1 Financial Accounting 1	Topic Weighting
1.1 Accounting Theory	10%
1.2 Accounting Records & Procedures	25%
1.3 Practical Application of Accounting Theory	25%
1.4 Financial Reporting, Analysis & Interpretation	25%
1.5 Constitutional Characteristics	15%
Paper 2 Business Economics	Topic Weighting
2.1 Introduction to Economics	5%
2.2 Consumption, Production & Distribution	25%
2.3 Household, Corporate & Finance Sectors	25%
2.4 Public Sector & Macro-Economy	25%
2.5 The External Sector	20%
Paper 3 Management Accounting 1	Topic Weighting
3.1 Introduction to Management Accounting	10%
3.2 Cost Ascertainment & Management	20%
3.3 Introduction to Costing Systems	20%
3.4 Accounting Records & Reports	10%
3.5 Information for Planning & Performance Management	20%
3.6 Management for Decision Making	20%
Paper 4 Law	Topic Weighting
4.1 Nature & Sources of English Law	10%
4.2 The Law of Contract	35%
4.3 Law Relating to Particular Types of Contract	20%
4.4 Legal Relationships	15%

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4.5 Law of Torts	10%
4.6 Insolvency	10%
Paper 5 Auditing and Taxation Section A Auditing	Topic Weighting
5.1 Nature & Purpose	10%
5.2 The Auditor	10%
5.3 Planning the Audit	10%
5.4 Conducting the Audit	10%
5.5 Reporting	10%
Paper 5 Auditing and Taxation Section B Taxation	Topic Weighting
5.6 Administration	5%
5.7 Income Tax	15%
5.8 Capital Gains Tax	15%
5.9 Corporation Tax	15%
Paper 6 Information Processing Section A Data Collection and Analysis	Topic Weighting
6.1 Statistical Sources	5%
6.2 Presentation of Data	5%
6.3 Summary Statistics	10%
6.4 Apply Probability to Decision Making	10%
6.5 Measuring Relationship Between Two Variables	10%
6.6 Time Series Analysis	10%
6.7 Index Numbers	10%
Paper 6 Information Processing Section B Business Information Technology	Topic Weighting
6.8 Overview of Information Systems	5%
6.9 Computer Hardware	5%
6.10 Computer Software	10%
6.11 Managing Data & Information	5%

6.12 Telecommunications & Networks	5%
6.13 Electronic Commerce	10%

## 4.0 Progression

Key subject expertise is systematically developed within the AIA Professional Qualification curriculum.

Each assessed element of the Certificate in Accountancy is designed to feed directly into a corresponding paper at the higher level, Diploma in Accountancy, Professional Level 1 of the AIA Professional Accountancy Qualification.

Certificate in Accountancy		Linked paper in the Diploma In Accountancy
Paper 1 Financial Accounting 1	➔	Paper 11 Financial Accounting 2
Paper 2 Business Economics	➔	Paper 10 Business Management
Paper 3 Management Accounting 1	➔	Paper 12 Management Accounting 2
Paper 4 Law	➔	Paper 8 Company Law
Paper 5 Part A Auditing	➔	Paper 7 Audit
Paper 5 Part B Tax	➔	Paper 16 Professional Diploma Level
Paper 6 Information Processing	➔	Paper 9 Management Information

## 5.0 Assessment Criteria

The six exams that form the Certificate in Accountancy Qualification test both knowledge and application in equal measure.

Lists of examinable accounting standards along with level competency descriptors and suggested reading for each of these papers are published in the AIA Syllabus.

In addition each assessment has a set of learning outcomes that each student should demonstrate before a pass is awarded.

The aim of each paper and associated learning outcomes are listed below.

### PAPER 1 FINANCIAL ACCOUNTING 1

The aim of this paper is to examine the candidate's knowledge and understanding of the theory of accounting and its application to the practical situations indicated in the syllabus. Students are therefore expected to demonstrate in their answers;

- an understanding the legal and regulatory framework for accounting within organisations;
- use of accounting theory for income measurement purposes, including the valuation of current assets;

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- an ability to present financial statements in accordance with current accounting standards; and to report on the financial position of the organisation.

### Paper 2 Business Economics

The aim of Paper 2 is to examine the candidate's knowledge and understanding of economic problems and possible solutions, their comprehension of the necessary tools for economic analysis and the relevant social and technological environments within which economic policies are applied and their ability to apply knowledge of the analysis of particular economic situations in the United Kingdom, Europe and the Rest of the World including developing countries.

Students are expected to demonstrate in their answers,

- an understanding of the nature and scope of economics;
- an understanding of the theories of consumption and consumer behaviour and the rationales of firms' production and distribution;
- an understanding of the economic factors that affect household, corporate and financial sectors;
- an understanding of the public sector and its role in a macro economy, and
- an understanding of the role of the international sector on national economy.

### Paper 3 Management Accounting 1

The aim of this paper is to examine the candidate's knowledge and understanding of management and cost accounting and its practical application to the ascertainment of costs of products, processes, operations and services; the control of operations; the provision of information to assist management in their decision making and policy formulation activities.

Students will be expected to demonstrate that they;

- understand the concept of management accounting;
- are able to establish the costs of products, processes, operations and services;
- are able to manage the use of costing systems in an organisation system; and
- they set budgetary targets to meet strategic objectives.

### Paper 4 Law

Paper 4 aims to examine the candidate's knowledge and understanding of the basic legal principles with which an accountant is likely to be concerned. In their answers students will be expected to demonstrate that they;

- understand the legal principles of law concerning accountants; and
- understand the law of contracts and the law relating to particular types of contracts.

### Paper 5 Section A Audit

This paper examines the candidate's knowledge and understanding of the basic principles of these two highly specialised areas of professional practice.

Students will be expected to demonstrate that they;

- understand the nature and purpose of auditing;
- are able to plan and conduct an audit; and
- understand of the principles of audit reporting

## Paper 5 Section B Tax

Students will be expected to demonstrate that they;

- understand the administration systems in relation to tax;
- understand the principles of Personal Income Tax;
- understand the principles of Business; and
- understand the principles of Capital Gains Tax

## Paper 6 Information Processing

The aim of this paper is to examine the student's knowledge and understanding of statistical sources and techniques and the concepts and methods of business information technology, and its application to practical business situations.

- Students are expected to demonstrate that they;
- are able to explain statistical sources;
- can use data sources to prepare statistical models;
- can apply the laws of probability techniques in decision making;
- can present and interpret statistical models;
- are able to provide an overview of Information systems;
- understand the uses of computer software and computer hardware;
- understand data and information management; and
- can explain the impact of Telecommunications, Networks and Electronic Commerce

## 6.0 Ethical Standards

Students are required to read and be able to apply the standards outlined in The Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code). The standards are implicit in, and examinable throughout, the AIA syllabus. Please click on the link [Code of Ethics](#)

## 7.0 Fit for Purpose

To ensure that the knowledge, skills and understanding achieved by the learner will cover the level of competence by employers within the specified occupational area, the National Occupational Standards (NOS) have been considered during the development of the qualification and where applicable, have been incorporated in to the relevant papers.

Note this only applies to the Foundation level.



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