

**Myanmar Accountancy Council
Diploma in Accountancy – Part I
Syllabus of Examination**

SR	SUBJECTS	HOURS
1	Book – keeping and Accountancy	80
2	Economics	80
3	Business Mathematics and Statistics	80
4	General Commercial Knowledge	80
5	Commercial Laws	80
	(12 Hours per week @ 40 weeks)	480

Myanmar Accountancy Council
Diploma in Accountancy – Part I
Syllabus and Study Guide

I. BOOK-KEEPING AND ACCOUNTANCY (160 hours)

1. Book-keeping

- General principles and practice of double-entry book-keeping including the books and records of original entry.
- Method of recording cash, purchases, sales and other transactions, subsidiary ledgers and classification of accounts.
- Definition of accounting terms.
- Journal entries including correction of errors.
- Bank reconciliation.
- Distinction between capital and revenue;
- Provisions and reserves.
- Methods of computing and accounting for depreciation.
- Treatment of bad and doubtful debts.
- Adjustments for accrued charges and payments in advance.
- Balancing, trial balances and extended trial balances.
- General principles of preparation of final accounts- manufacturing, trading and profit and loss accounts (Income Statement), and balance sheet (Statement of Financial Position).
- Basic Principles of Single Entry System,
- Accounting for Bills of Exchange,
- Receipts and Payments Accounts, Income and Expenditure Accounts, Accounting of Educational, Charitable, Social and other institutions “

2. Accounting

Partnership Accounts:

- Introduction
- Distribution of Profits and Final accounts
- Fixed and Fluctuating Capital Accounts
- Goodwill for Sole Traders and Partners
 - General Principles
 - Adjustments for Goodwill
- Revaluation of Partnership Assets
 - Need for Revaluation (Partnership changes)
 - Profit or Loss on Revaluation
 - Accounting for Revaluation
- Partnership Dissolution
 - Need for Dissolution
 - Accounting for Dissolution
- Conversion to limited company

II. ECONOMICS (80 hours)

This course provides basic knowledge of economics and cover to understand on concepts of microeconomic as well as macroeconomics. This course consists of the following components;

- (A) Microeconomic
Discipline of Economics, Economic System, Demand and Supply, Application of Demand and Supply, Theory of Consumer Choice, Government and Public Sector, Cost of Production.
- (B) Markets
Types of Markets, Characteristics of Market, Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly, Resources Market.
- (C) Macroeconomic
National Income Accounts, Inflation and Unemployment, Aggregate Supply and Aggregate Demand, Money and Banking.
- (D) Macroeconomic policy
Fiscal Policy, Monetary Policy, Economic Growth, International Trade and Exchange Rate Policy.

References:

1. Barons Educational Series: Microeconomic and Macroeconomics, 2009, U.S.
2. Samuelson, P.A., and W.D. Nordhaus, Economics, 18th edition, McGraw-Hill, 2005.
3. Sexton, R. L., Exploring Economics, 2nd edition, Thomson Corporation, 2002.

III. BUSINESS MATHEMATICS AND STATISTICS (80 hours)

The aim of this subject is to ensure that students acquire, understand and apply quantitative techniques that are used in business decision-making. They develop the ability to interpret the information obtained and present this information in a manner appropriate to a business environment.

(A) Business Mathematics

Simple interest, Compound interest, Equations of value, Nominal rate of interest and effective rate of interest. Annuities: Immediate Annuities, Annuities due, Deferred Annuities, Increasing Annuities, Decreasing Annuities, Perpetuities, General Annuities. Added interest. Stocks and shares. Foreign exchange rates.

(B) Statistics

Sources of data: sources, nature, appreciation and precautions in use; role of statistics in business analysis and decision-making. Presentation of data: use of bar charts, histograms, pie chart, graphs, tables, frequency distributions cumulative distributions, gives and their use and interpretations. Data description: measure of central tendency {mean, median and mode (raw, ungrouped and grouped data), midrange and weighted mean}, measure of variation {range, standard deviation (raw, ungrouped and grouped data), coefficient of variation} and measure of position {percentile, quartile and deciles} .Linear regression and correlation. Time series: trend, seasonal, cyclical, irregular variation. Index numbers.

Prescribed Text:

- 1 Aderson, D.R., D.J. Sweeney, and T.A. William. (1994) ' *Statistics for Business and Economics* ', West Publishing company, Singapore.
- 2 Williams, W.E. and James H.Reed. (1990) '*Fundamentals of Business Mathematics*', 5th Edition, W. C. Brown Publishers.

Recommended reading

- 1 Bluman, A.G. (2006) '*Elementary Statistics*'.3rd Edition, McGraw-Hill .
- 2 Freund, E. J. and A.J. Simon. (1997) '*Modern Elementary Statistics* ', Prentice-Hall.
- 3 Mason, R.D., D.A. Lind, and W.G.Marchal, (2004) '*Statistical Techniques in Business and Economics*', 12th Edition, McGraw-Hill.

IV. GENERAL COMMERCIAL KNOWLEDGE (80 hours)

Office organization and management; administration; staff; accommodation; procedures; noting and drafting; practice : report writing : correspondence; elementary secretarial practice Filing; indexing; communications; stationery; duplicating, copying and all office business machines and equipments. The general structure of commerce and industry; produces, manufactures, wholesalers and retailers; producers and consumers and other form of Co-operative Societies; Commercial and industrial terms and practices in common use. General principles of banking, insurance, investment, import, export, international trade, etc. Current matters of general financial and commercial interest. Outline of the organization and functions of state enterprises

V. COMMERCIAL LAWS (80 hours)

(A) The Law of Contract

The Contract Act:- Preliminary; communication; acceptance and revocation of proposals; voidable contracts and void agreements; contingent contracts; performance; certain relations resembling those created by contract; consequences of breach of contract; indemnity and guarantee; Bailment .

(B) The Law of Agency.

The contract Act: - Appointment and authority of agents; Subagents; Ratification; Revocation of authority; Agent's duty to principal; principal's duty to agent; Effect of agency on contract with third persons.

(C) The Law relating to Partnership

The Partnership Act :- Preliminary; The nature of partnership; Relations of partners to one another; Relations of partners to third parties; Incoming and Outgoing partners; Dissolution of a firm; Registration of firms; Supplemental.

(D) The Law relating to Sale of Goods

The Sale of Goods Act: - Preliminary; Formation; Effects of the Contract; Performance; Rights of unpaid seller against the goods; Suits for breach of the contract; Miscellaneous.

(E) The Law relating to Negotiable Instruments

The Negotiable Instrument Act:- Preliminary; notes; bills and cheques; Parties to notes, bills and cheques; Negotiation; Presentment; payment and interest; discharge from liability on notes; bills and cheques.

**Myanmar Accountancy Council
Diploma in Accountancy – Part II
Syllabus of Examination**

Sr No.	SUBJECTS	HOURS
1	Accounting	100
2	Financial Reporting	100
3	Auditing	100
4	Cost Accounting	100
5	Financial and Service Regulations	80
6	Information & Communication Technology and Systems Development	80
		560

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Syllabus and Study Guide

I. ACCOUNTING. (100 Hours)

- Incomplete records;
- control accounts for creditor's and debtor's ledgers;
- accounts of sole traders;
- consignment accounts;
- joint venture accounts;
- contract accounts;
- branch and departmental (excluding foreign branch accounts);
- hire and installment purchase accounts;
- goods on sale or return accounts;
- royalties and minimum rents;
- accounting for containers;
- investment accounts;
- accounting for bills of exchange;
- consequential loss of profits; estimate of stock for fire loss etc.
- Receipts and Payments accounts. Income and Expenditure Accounts. Accounting of Educational Charitable. Social and other institutions. Agriculture.
- Consistency in accounting practices and comparability;
- Cash versus Accrual Method of accounting.
- Working sheets, Schedules, analysis and break-down in the preparation of final accounts.
- Asset Register and asset disposal account.
- Profit and Loss Appropriation Account. Form and presentation of final account, especially vertical form.

II. FINANCIAL REPORTING. (100 Hours)

- Introduction to conceptual framework
 - Purpose and Status
 - Scope
 - The objective of Financial Statements
 - The Qualitative Characteristics of Financial Statements
 - The definition, recognition and measurement of the elements of Financial Statements
 - Concepts of capital and capital maintenance
 - Users and Their Information Needs
- First-time Adoption of Myanmar Financial Reporting Standards
 - Objective
 - Scope
 - Recognition and Measurement
 - Presentation and Disclosure
- Presentation of Financial Statements
 - Objective
 - Scope
 - Definition
 - Financial Statements
 - Structure and Content
- Inventories
 - Objective
 - Scope
 - Definitions
 - Measurements of Inventories
 - Recognition as an Expenses
 - Disclosure
- Statement of Cash Flows
 - Objective
 - Scope
 - Benefits of Cash Flow Information
 - Definitions
 - Presentation of a Statements of Cash Flows
- Accounting Policies, Changes in Accounting Estimates and Errors
 - Objective
 - Scope
 - Definition
 - Accounting Policies
 - Changes in Accounting Estimates
 - Errors
 - Impracticability in Respect of Retrospective Application and Retrospective Restatement
- Events after the Reporting Period
 - Objective
 - Scope
 - Recognition and Measurement
 - Going Concern
 - Disclosure

- Revenue
 - Objective
 - Scope
 - Definitions
 - Measurement of Revenue
 - Identification of the Transaction
 - Sale of Goods
 - Rendering of Services
 - Interest, Royalties and Dividends
 - Disclosure
- Company Accounting
 - Issue of shares, debentures, including premium and discount;
 - redemption of preference shares;
 - Sinking Funds and repayment of debentures;
 - Amalgamation, Absorption, Reconstruction and Reduction of capital.
 - Annual financial statements. Preparation and presentation of the accounts of limited companies (excluding consolidated accounts).
- Treatment of taxation in accounts.
 - Current Tax,
 - Deferred Tax,
 - Withholding Tax, etc;

III. COST ACCOUNTING. (100 Hours)

1. Aim

To develop knowledge and understanding of the application of management accounting techniques to support the management processes of planning, control, decision making and performance measurement.

2. Objectives

On completion of this paper candidates should be able to:

- explain the role of management accounting within an organisation and the requirement for management information
- describe costs by classification and purpose
- identify appropriate material, labour and expense costs
- understand the principles of costing and apply them in straightforward scenarios
- identify and discuss appropriate costing systems and techniques
- prepare forecasts of income and expenditure
- prepare draft budget proposals
- prepare and present reports comparing actual performance with planned performance for the organisation or for responsibility
- make short-term decisions to enhance business performance.
- demonstrate the skills expected in Part 2 of Diploma in Accounting

3. Position of the paper in the overall syllabus

Some prior knowledge and understanding of the accounting principles and practices from degree level is required and basic competence in numeracy is assumed. This paper provides the basic techniques required to enable the candidates to develop the various methods into more complex problems at later parts. Candidates will, therefore, need a sound understanding of the methods and techniques encountered in this paper to ensure that they can take them further in subsequent papers at the CPA final part examination.

4. Key topics

Serial	Description
1	Basic Principles, Nature and Purposes of Cost Accounting
1	Principles, Nature and Purpose of Cost Accounting
2	Classification and Analysis of Costs
3	Cost Behaviour
4	Control of Material Cost
5	Control of Labour Cost
6	Control of Overhead Cost and Overhead Absorption
7	Marginal and Absorption Costing
8	Activity Based Costing
9	Job and Batch Costing
10	Process Costing - Basic
11	Cost- Volume and Profit Analysis
12	Preparation of Budgets – Basic Level
13	Short Term Decision Making – Simple Limiting Factor Problems
14	Cost Ledger Entries – Cost Recording System - Basic

5. Approach to examining the syllabus

The examination is a three-hour written paper. The paper consists of five compulsory questions.

Question 1 - 5	20	marks (Each)
Total	100	marks
Pass	50	marks

6. Recommended texts

- (i) **Foulks Lynch – Financial Information for Management;**
Website: www.foulkslynch.com
- (ii) **BPP – Planning, Control and Performance Management**
Website: www.bpp.com
- (iii) **The Financial Training Company –Financial Information for Management**
Website: www.financial-training.com
- (iv) G Bancroft, G O’Sullivan **Quantitative Methods for Accounting and Business Studies** (3rd Edition) McGraw Hill ISBN 0077077318
- (v) C Drury **Management and Cost Accounting** (5th Edition) International Thomson Business Press ISBN 1861525362.
- (vi) Weetman, P. **Management Accounting – An Introduction** (Prentice Hall)
- (vii) Dodge, R. **Foundations of Cost and Management Accounting** (International Thomson Business Press) ISBN: 041258820X
- (viii) Lucey, T. **Costing** (DP Publications: 5th Edition) ISBN: 0826455107
- (ix) Pizzey, A. **Cost and Management Accounting** (Paul Chapman: 3rd Edition) ISBN: 1853960497

7. Detailed syllabus description

1. **Principles, Nature and Purpose of Cost Accounting**
 - (a) Cost accounting versus management accounting
 - (b) purposes of cost and management accounting and financial accounting
 - (c) role of cost accounting in a management information system
2. **Classification and Analysis of Costs**
 - (a) Nature and purpose of cost classification and definitions.
 - (b) Explain and illustrate classifications used in the analysis of product/ service costs including by function, direct and indirect, product and period, fixed and variable, avoidable and unavoidable, controllable and uncontrollable
 - (c) Explain and illustrate the concept of cost objects, cost units, cost centres, revenue centres, profit centres and investment centres
 - (d) Describe briefly the process of accounting for input costs and relating them to work done
 - (e) Describe briefly the different methods of costing final outputs and their appropriateness to different types of business organisation/ situation
 - (f) Describe the nature of control achieved through the comparison of actual costs against plan.

3. **Cost Behaviour**
 - (a) Explain the importance of cost behaviour in relation to business decision-making
 - (b) Describe factors which influence cost behaviour
 - (c) Provide examples of costs which contain both fixed and variable elements
 - (d) Use high/low analysis to separate the fixed and variable elements of costs and estimation of cost
4. **Control Material Costs**
 - (a) Calculate, explain and evaluate the value of closing stock and material issues using LIFO, FIFO and average methods (weighted and periodic)
 - (b) Prepare ledger entries to record material cost inputs and outputs
 - (c) Interpret the entries and balances in the material stock account.
5. **Control of Labour Costs**
 - (a) Explain the difference between, and calculate, direct and indirect labour costs
 - (b) Explain the methods used to relate input labour costs to work done
 - (c) Prepare journal and ledger entries to record labour cost inputs and outputs
6. **Control of Overheads and Overhead Absorption**
 - (a) Explain the difference between the treatment of direct and indirect expenses
 - (b) Describe and justify the process of apportioning manufacturing overhead costs incurred to production
 - (c) Allocate and apportion factory overheads using an appropriate basis
 - (d) Re-apportion service centre costs including the use of the reciprocal method
 - (e) Calculate absorption rates using relevant bases.
 - (f) Prepare journal and ledger entries for manufacturing overheads incurred and absorbed
 - (g) Calculate and account for under – and over – absorbed overheads
7. **Marginal and Absorption Costing**
 - (a) Explain the concept of contribution
 - (b) Demonstrate and discuss the impact of absorption and marginal costing on stock valuation and profit measurement
 - (c) Produce profit and loss accounts using absorption and marginal costing
 - (d) Reconcile the profits reported under the two methods
8. **Activity based costing**
 - (a) Calculate product costs using activity based costing
 - (b) Apply activity based costing principles in a job, contract, batch, service, or process costing context
9. **Job and Batch Costing**
 - (a) Describe the characteristics of job and batch costing
 - (b) Describe the situations where the use of job or batch costing would be appropriate
 - (c) Discuss, and illustrate, the treatment of direct, indirect and abnormal costs
 - (d) Complete cost records and accounts in job and batch cost accounting situations
 - (e) Estimate job costs from given information.
10. **Process Costing - Basic**
 - (a) Describe the characteristics of process costing
 - (b) Describe situations where the use of process costing is appropriate
 - (c) Describe the key areas of complexity in process costing
 - (d) Define ‘normal’ losses and ‘abnormal’ gains and losses

- (e) State and justify the treatment of normal losses and abnormal gains and losses in process accounts
 - (f) Account for process scrap
 - (g) Calculate the cost per unit of process outputs, and prepare simple process accounts, in absorption and marginal costing systems.
- 11. Cost-Volume-Profit (CVP) Analysis**
- (a) Explain the objective of CVP analysis
 - (b) Explain the concept of break-even
 - (c) Calculate and explain the break-even point and revenue, target profit, contribution to sales ratio and margin of safety.
 - (d) Construct break-even, contribution, and profit/volume charts from given data
 - (e) Apply the CVP model in multi product situations.
- 12. Short Term Decision Making – Simple Limiting Factor Problems**
- (a) Explain and recognise what causes optimisation problems
 - (b) Identify, formulate and determine the optimal solution when there is a single limiting factor.
- 13. Budgetary planning- different types of budgets**
- (a) Prepare sales budgets
 - (b) Prepare functional budgets (production, raw materials usage and purchases, labour, fixed overheads)
 - (c) Discuss the preparation of discretionary expense budgets
 - (d) Prepare capital budgets
 - (e) Prepare cash budgets
 - (f) Prepare master budgets (profit and loss account and balance sheet)
- 14. Cost Ledger Entries – Cost Recording System - Basic**
- (a) Types of Cost book-keeping systems
 - (b) Ledger entries – Integrated System
 - (c) Ledger entries – non-integrated systems

IV. AUDITING (100 Hours)

1. Introduction to auditing – the why of auditing
2. The rights and duties of an auditor under the Companies Act and MAC Law
3. Accounting requirements of the Companies Act
4. Professional rules
 - a. Introduction to Myanmar Standards on Auditing
 - b. Accounting Standards and the auditor
 - c. Professional conducts – including acceptance and continuance of client relationships
 - d. Letter of engagement
5. The modern audit –
 - a. stages
 - b. The timing of the audit work
 - c. Objectives and general principles of the modern audit
6. The conduct of the audit -
 - a. Accounting systems
 - b. Internal controls
 - c. Audit testing
 - d. Analytical review techniques
 - e. Working papers
 - f. Reports to directors or management
 - g. The auditor and errors and frauds
7. Asset and liability verification
8. Audit evidence
 - a. Sufficient appropriate audit evidence
 - b. Audit risk
 - c. Statistical and other sampling methods
 - d. Reliance on other specialists
9. Review of financial statements
 - a. The final review stage
 - b. The true and fair view
 - c. Representations by management
10. The auditors' report
 - a. Unmodified and modified opinion
 - b. Subsequent events
 - c. Going concern
 - d. Opening balances and comparatives

DA II Audit syllabus**Content**

- 1. The business environment**
 - (a) The nature of accounting records, audit and the audit report
 - (b) Requirements for becoming an auditor
 - (c) Duties of an auditor
 - (d) Responsibilities of auditors
 - (e) Fraud and error
 - (i) liability to clients
 - (ii) liability to third parties
- 2. The audit framework**
 - (a) External audit and internal audit
 - (b) Regulatory framework of auditing
 - (i) auditing standards
 - (ii) requirements of professional bodies
 - (c) The audit engagement process
- 3. Audit personnel**
 - (a) The audit team
 - (b) Liaison with client staff
 - (c) Liaison with third parties
 - (i) experts
 - (ii) internal audit
- 4. Audit planning**
 - (a) The nature of an audit plan and programme
 - (b) Knowledge of the business
 - (c) Risk
 - (d) Materiality
 - (e) Documentation
 - (f) Audit planning meeting
- 5. Accounting systems and controls**
 - (a) The nature of accounting systems
 - (b) General principles of control
 - (c) Techniques to record accounting systems
 - (i) narrative notes
 - (ii) flowcharts
 - (d) Techniques to evaluate accounting systems
 - (i) internal control questionnaires
 - (ii) internal control evaluation questionnaires
 - (iii) checklists
 - (e) Major control cycles (manual and computerised)
 - (i) income (sales)
 - (ii) expenditure (purchases / inventory / non-current assets / payroll / expenses)
 - (f) Tests of control
 - (g) Reporting control weaknesses
- 6. Audit evidence and sampling**
 - (a) Financial statement assertions
 - (b) Audit evidence and procedures
 - (c) Verification techniques (physical examination, reperformance, third party confirmation, documentary evidence, vouching and analytical review)

- (d) Audit sampling
- (e) Types of testing (tests of control and substantive testing)
- (f) Computer assisted audit techniques
- (g) Audit of balance sheet (statement of financial position) items (existence, completeness, ownership, valuation and disclosure)

7. Audit completion

- (a) Audit review
 - (i) events after the reporting date
 - (ii) going concern
 - (iii) opening balances and comparatives
- (b) Analytical procedures
- (c) Recording significant and material errors
- (d) Review by senior audit staff
- (e) Report of audit points arising (report to partner)
- (f) Letter of representation

8. Audit report

- (a) The standard audit report
- (b) Qualifications in audit reports

V. INFORMATION & COMMUNICATION TECHNOLOGY AND SYSTEMS DEVELOPMENT. (80 Hours)

- (A) **Foundation of Information Technology Management**
- Information Technology
 - Information Technology Issues
 - Information Technology's Strategic Importance
 - Developing the Organization's IT Strategy
- (B) **Computer Hardware**
 Classification of computers by size: super, mainframe, mini, and micro computers;
 Classification of computers by Technology: First to Fifth generation computers;
- Input and output devices
 - Storage devices
 - Processors
 - Distributed processing
 - Data communication
 - Local area network/ Wide area network/ Virtual Network/ WiFi etc.
- (C) **Selection of Hardware Components based on Computer Software**
- System and application software;
 - System software: Operating system, language processor, utilities;
 - Application software: software packages: word-processing, spreadsheet, database, graphic, communication, integrated, accounting and, financial management, statistical; Programming languages: principle of programming, program logic, structure programs.
 - Multiprogramming and time sharing.
- (D) **Selection of software**
Data representation, Structure, storage, and processing
- Characters, fields, records, files
 - Data representation, coding, and conversion
 - input- process -output cycle
 - Summarizing, selecting, classifying, sequencing methods
 - Sorting, searching merging
 - File organization: sequential access: random access
 - Processing mode: batch: on-line; on-line (real-time)
- (E) **Introducing computer into business**
- Development of information system plan
 - Selection of computer system
 - Installation and system development
 - Operation and maintenance
- (F) **System analysis and design**
 (Computerized systems development)
- System theory – Definition, system hierarchy organization as a system, control systems
 - System development cycle
 - System analysis

- System design
- System implementation – System review
- Operation and maintenance

(G) Application

The role of computers in the collection, analysis and presentation of accounting data and information. Application in Financial Accounting, design of Financial Accounting system; General Ledger; Account Receivable; Account Payable; Inventory Control; Order entry.

Application in Cost Accounting: Design of cost accounting system, batch and process costing.

Application in Management Accounting: Modeling; Simulation; Budget preparation and budgetary control; Quantitative techniques;

VI. FINANCIAL AND SERVICE REGULATIONS. (80 Hours)**(A) Financial Regulations**

General structure of financial administration and distribution of responsibilities. Government budget, Ways and means and resource operations. Receipt and withdrawal of Government moneys. Custody of moneys in departmental chests. Procedure to be followed by drawing officers obtaining moneys by cheques. Lost cheques. Conditions for incurring expenditure. Standards of financial propriety. Procedures in regard to pay bills, travelling allowance bills, contingent bills, etc., last pay certificate.

General rules applicable to pay and allowances. Defalcation and losses. Principles relating to powers of sanction. Security deposits and Earnest moneys. Destruction of old records. Issue of duplicates or copies of financial documents and papers. Erasures and overwritings in vouchers and account records.

(B) Service Regulations

Emolument of a Government employee, Different kinds of pay ; compensatory allowances ; leave salary ; subsistence grant ; honorarium ; pension ; gratuity. Classes of posts and methods of appointment Fixation of pay in posts on time-scale of pay Suspension. Admission of subsistence grant which under suspension. Reinstatement. Compulsory date of retirement ; extension of service ; re-employment. Joining time. Various kinds of leave. Travelling allowances. Pension Rules.