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Since 1977

PRACTICAL ACCOUNTING 1
P1.Syllabus

CPA REVIEW

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THE CPA LICENSURE EXAMINATION SYLLABUS PRACTICAL ACCOUNTING PROBLEMS I (Effective October 2006 Examination)

This subject tests the candidate's proficiency in applying financial accounting techniques and methodology to problems likely to be encountered in practice. The problems involve recognition, measurement, valuation, classification, disposition and disclosure of assets, liabilities, equity, income, expenses, and net income of a business enterprise, preparation of financial statements, and contemporary accounting issues in accordance with Philippine Financial Reporting Standards in effect at the time of examination.

Each examination will contain a minimum of 40 and a maximum of 50 multiple choice problems equitably allocated to the different subject areas as indicated below.

1.0 Preparation of Financial Statements

- 1.1 Accounting process
- 1.2 Components of financial statements
 - a. Balance sheet
 - b. Income statement
 - c. Statement of changes in equity
 - d. Cash flow statement
 - e. Notes to financial statements
 1. Contingencies
 2. Events after balance sheet date
 3. Accounting policies
 4. Related party disclosure
 5. Segment reporting
 6. Earnings per share
 7. Other disclosures
- 1.3 Cash basis to accrual basis and single entry
- 1.4 Financial reporting and changing prices (including hyperinflationary economies)

2.0 Accounting for Income and Expenses

- 2.1 Net income
 - a. Transaction approach
 - b. Capital maintenance approach
- 2.2 Accounting changes
- 2.3 Prior-period errors
- 2.4 Interim reporting
- 2.5 Segment reporting
- 2.6 Development-stage enterprise

3.0 Accounting for Assets

- 3.1 Cash and cash equivalents
- 3.2 Trade and other receivables

- 3.3 Inventories
- 3.4 Prepaid expenses
- 3.5 Investments (excluding investment in subsidiaries and joint ventures)
- 3.6 Property, plant and equipment
- 3.7 Intangibles
- 3.8 Other assets
- 3.9 Impairment of assets

4.0 Accounting for Liabilities

- 4.1 Trade and other payables
- 4.2 Provisions; Contingent liabilities
- 4.3 Income taxes payable
- 4.4 Bonds payable
- 4.5 Notes payable
- 4.6 Debt restructuring (except dacion en pago)
- 4.7 Employee benefits
- 4.8 Other liabilities

5.0 Accounting for Equity

- 5.1 Preference shares
- 5.2 Ordinary shares
- 5.3 Additional paid-in capital / share premium / other sources
- 5.4 Reserves (e.g., revaluation surplus, translation adjustments, and unrealized gain or loss on assets available for sale)
- 5.5 Retained earnings / accumulated profit or loss
- 5.6 Treasury shares
- 5.7 Earnings per share
- 5.8 Book value per share
- 5.9 Capital restructuring

6.0 Other Topics

- 6.1 Accounting for deferred taxes
- 6.2 Accounting for leases
- 6.3 Accounting for non-current assets held for sale and discontinued operations
- 6.4 Accounting for share-based payments
- 6.5 Accounting for biological assets, agricultural produce at the point of harvest and government grants related to agricultural activity
- 6.6 Accounting for government grants and disclosure of government assistance
- 6.7 Other current pronouncements