ICMAP Pathway Exam

Syllabus and study guide

Applicable for December 2022/June 2023 exams

Think Ahead

Summary of content

Summary of content

1. Introduction to the syllabus

A pathway route into ACCA membership for members of ICMAP (Institute of Cost and Management Accountants of Pakistan) with fellow status (FCMAs) was launched in 2020. FCMAs are eligible for ACCA membership on successful completion of the following:

- A pathway exam (the ICMAP Pathway Exam or 'IPE');
- EPSM module and assessment; and
- An adapted practical experience requirement.

This syllabus details the contents of the pathway exam, and provides details of both the examinable topics, and the level at which those topics will be tested.

Candidates are assumed to have a detailed knowledge of the application of International Financial Reporting Standards (IFRS) and accounting regulation in advance of sitting the IPE examination.

2. IPE structure

The IPE is a case study examination and is examined as a closed book exam of 4 hours. The exam time includes reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination.

Candidates will be examined on concepts, theories, and principles from across all areas of the syllabus and their assumed knowledge. They should be capable of relating professional issues to relevant concepts and practical situations. Professional and ethical judgement will need to be exercised, together with the integration of technical knowledge when addressing issues in a business context.

All questions are compulsory and each examination will contain a total of 70-80 technical marks and 20-30 Professional Skills marks.

The pass mark for the pathway examination is 50%.

3. Intellectual levels

The specific capabilities within ACCA's detailed syllabus and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension
Level 2: Application and analysis
Level 3: Synthesis and evaluation

Each subject area in the detailed study guide included in this document is given a numbered superscript, denoting intellectual level, marked at the end of each relevant learning outcome. The levels give an indication of the intellectual depth at which an area could be assessed within the examination.

4. Main capabilities

On successful completion of this course, candidates should be able to:

A   Apply excellent leadership and ethical skills to set the 'tone from the top' and promote a positive culture within the organisation, adopting a whole organisation perspective in managing performance and value creation

B   Evaluate the effectiveness of the governance and agency system of an organisation and recognise the responsibility of the board or other agents towards their stakeholders, including the organisation's social responsibilities and the reporting implications.

C   Enable success through innovative thinking, applying best in class strategies and disruptive technologies; initiating, leading and organising projects, while effectively managing talent and other business resources

D   Apply fundamental ethical and professional principles to ethical dilemmas in business reporting and discuss the consequences of unethical behaviour

E   Evaluate the appropriateness of the financial reporting framework and critically discuss changes in accounting regulation

F   Use strategic planning and control models to plan and monitor organisational performance

G   Recognise the impact of developments in technology on performance measurement and management systems

H   Advise clients and senior management on strategic business performance evaluation

I   Apply a range of Professional Skills in addressing requirements within the ICMAP Pathway Exam and in preparation for, or to support, current work experience.

5. The syllabus

A Leadership

1. Qualities of leadership

2. Leadership and organisational culture

3. Professionalism, ethical codes and the public interest

B Governance

1. Agency

2. Stakeholder analysis and organisational social responsibility

3. Governance scope and approaches

4. Reporting to stakeholders

5. The board of directors

6. Public sector governance

C Innovation and performance excellence

1. Enabling success: organising

2. Enabling success: disruptive technologies

3. Enabling success: talent management

4. Enabling success: performance excellence

D Fundamental ethical and professional principles

1. Professional and ethical behaviour in corporate reporting

E The financial reporting framework

1. The applications, strengths and weaknesses of the accounting framework

F Strategic performance management

1. Performance hierarchy

2. Performance management and control of the organisation

3. The role of quality in management information and performance measurement systems

4. Performance measurement and strategic human resource management issues

5. Other behavioural aspects of performance measurement

G Performance management information systems and developments in technology

1. Recording and processing systems and technologies

2. Data analytics

3. Management reports

H Performance evaluation and corporate failure

1. Alternative views of performance measurement and management

2. Strategic performance issues in complex

business structures

I Professional skills

1. Communication

2. Commercial acumen

3. Analysis

4. Scepticism

5. Evaluation

6.Detailed study guide

A Leadership

1. Qualities of leadership

a) Explain the role of effective leadership and identify the key leadership traits effective in the successful formulation and implementation of strategy and change management.[3]

b) Apply the concepts of entrepreneurship and 'intrapreuneurship' to exploit strategic opportunities and to innovate successfully.[3]

c) Apply in the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance.[3]

2. Leadership and organisational culture

a) Discuss the importance of leadership in defining and managing organisational culture.[3]

b) Advise on the style of leadership appropriate to manage strategic change.[2]

c) Analyse the culture of an organisation, to recommend suitable changes, using appropriate models such as the cultural web.[3]

d) Assess the impact of culture on organisational purpose and strategy. [3]

3. Professionalism, ethical codes and the public interest

a) Critically evaluate the concept of responsible leadership and the creation of public value by acting in the public interest.[3]

b) Assess management behaviour against the codes of ethics relevant to accounting professionals including the
IESBA (IFAC) or professional body codes.[3]

c) Analyse the reasons for and resolve conflicts of interest and ethical conflicts in organisation.[3]

d) Assess the nature and impacts of different ethical threats and recommend appropriate safeguards to prevent or mitigate such threats.[3]

e) Recommend best practice for reducing and combating fraud, bribery and corruption to create greater public confidence and trust in organisations.[3]

B Governance

1. Agency

a) Discuss the nature of the principal-agent relationship in the context of governance.[3]

b) Analyse the issues connected with the separation of ownership and control over organisation activity.[3]

2. Stakeholder analysis and social responsibility

a) Discuss and critically assess the concept of stakeholder power and interest using the Mendelow model and apply this to strategy and governance.[3]

b) Evaluate the stakeholders' roles, claims and interests in an organisation and how they may conflict.[3]

c) Explain social responsibility and viewing the organisation as a 'corporate citizen' in the context of governance and sustainability.[2]

3. Governance scope and approaches

a) Analyse and discuss the role and influence of institutional investors in governance systems and structures.[2]

b) Compare rules versus principles based approaches to governance and when they may be appropriate.[3]

c) Discuss different models of organisational ownership that influence different governance regimes (family firms versus joint stock company-based models) and how they work in practice.[2]

d) Apply general principles of the International Corporate Governance Network (ICGN)'s Global Governance Principles to organisations' corporate governance.[2]

4. Reporting to stakeholders

a) Discuss the factors that determine organisational policies on reporting to stakeholders, including stakeholder power and interests.[3]

b) Assess the role and value of integrated reporting and evaluate the issues concerning accounting for sustainability.[2]

c) Advise on the the guiding principles, the typical content elements and the six capitals of an integrated report, and discuss the usefulness of this information to stakeholders.[3]

d) Describe and assess the social and environmental impacts that economic activity can have (in terms of social and environmental 'footprints' and environmental reporting).[3]

e) Describe the main features of internal management systems for underpinning environmental and sustainability accounting including EMAS and ISO 14000.[2]

f) Examine how the audit of integrated reports can provide adequate assurance of the relevance and reliability of organisation reports to stakeholders.[2]

5. The board of directors

a) Assess the duties of directors and functions of the board including setting a responsible 'tone from the top' and being accountable for the performance and impacts of the organisation.[3]

b) Evaluate the cases for and against, unitary and two-tier board structures.[3]

c) Describe and assess the purposes, roles, responsibilities and performance of Non-Executive Directors (NEDs).[3]

d) Describe and assess the importance of, induction, performance appraisal and the continuing professional development of directors on boards of directors.[3]

e) Explain the meanings of 'diversity' and critically evaluate issues of diversity on boards of directors.[3]

f) Assess the importance, roles purposes and accountabilities of the main board committees within effective governance.[3]

g) Describe and assess the general principles of remunerating directors and how to modify directors' behaviour to align with stakeholder interests.[3]

h) Explain and analyse the regulatory, strategic and labour market issues associated with determining directors' remuneration.[3]

6. Public sector governance

a) Discuss public sector, private sector, charitable status and non-governmental (NGO and quasi-NGOs) forms of organisation, including agency relationships, stakeholders' aims and objectives and performance criteria.[2]

b) Assess and evaluate the strategic objectives, leadership and governance arrangements specific to public sector organisations as contrasted with private sector.[3]

c) Explain democratic control, political influence and policy implementation in public sector organisations.[3]

d) Discuss obligations of the public sector organisations to meet the economy, effectiveness, efficiency (3 'E's) criteria and promote public value.[3]

C Innovation and performance excellence

1. Enabling success: organising

a) Advise on how an organisation structure and internal relationships can be re-organised to deliver a selected strategy.[3]

b) Advise on the implications of collaborative working and partnering, such as franchising, organisation process outsourcing, shared services and global business services.[3]

2. Enabling success: disruptive technology

a) Identify and assess the potential impact of disruptive technologies such as Fintech, including cryptocurrencies.[3]

b) Assess the impact of new product, process, and service developments and innovation in supporting organisation strategy.[2]

3. Enabling success: talent management

a) Discuss how talent management can contribute to supporting organisation strategy.[3]

b) Assess the value of the four view (POPIT – people, organisation, processes and information technology) model to the successful implementation of organisation change.[3]

4. Enabling success: performance excellence

a) Apply the Baldrige model for world class organisations to achieve and maintain business performance excellence.[3]

b) Assess and advise on how an organisation can be empowered to reach its strategic goals, improve its results and be more competitive, focusing on its critical success factors (CSF).[3]

D Fundamental ethical and professional principles

1. Professional and ethical behaviour in corporate reporting

a) Appraise and discuss the importance of ethical and professional behaviour in complying with accounting standards and corporate reporting requirements.[3]

b) Assess and discuss the consequences of unethical behaviour by management in carrying out their responsibility for the preparation of corporate reports.[3]

E The financial reporting framework

1. The applications, strengths and weaknesses of an accounting framework

a) Discuss the importance of the Conceptual Framework for Financial Reporting in underpinning the production of accounting standards, and apply the appropriate principles as used in IFRS to a given scenario.[3]

b) Discuss the objectives of financial reporting including disclosure of information that can be used to help assess management's stewardship of the entity's resources and the limitations of financial reporting.[3]

c) Discuss the nature of the qualitative characteristics of useful financial information.[3]

d) Explain the roles of prudence and substance over form in financial reporting.[3]

e) Discuss the high level of measurement uncertainty that can make financial information less relevant.[3]

f) Evaluate the decisions made by management on recognition, derecognition and measurement.[3]

g) Critically discuss and apply the definitions of the elements of financial statements and

the reporting of items in the statement of profit or loss and other comprehensive income.[3]

F Strategic planning and control

1. Performance hierarchy

a) Discuss how the purpose, structure and content of a mission statement impacts on performance measurement and management.[2]

b) Discuss how strategic objectives are cascaded down the organisation via the formulation of subsidiary performance objectives.[2]

c) Apply critical success factor analysis in developing performance metrics from business objectives.[3]

d) Identify and discuss the characteristics of operational performance.[2]

e) Discuss the relative significance of planning activities as against controlling activities at different levels in the performance hierarchy.[3]

2. Performance management and control of the organisation

a) Evaluate the strengths and weaknesses of alternative budgeting models and compare such techniques as fixed and flexible, rolling, activity based, zero based and incremental.[3]

b) Evaluate different types of budget variances and how these relate to issues in planning and controlling organisations.[3]

c) Evaluate the increased use of non-traditional profit-based performance measures in controlling organisations (e.g. beyond budgeting). [3]

3. The role of quality in management information and performance measurement systems

a) Discuss and evaluate the application of Japanese business practices and management accounting techniques, including:[3]

Kaizen costing,
Target costing,
Just-in-time, and
Total Quality Management.

b) Assess the relationship of quality management to the performance management strategy of an organisation including the costs of quality.[3]

c) Justify the need and assess the characteristics of quality in management information systems.[3]

d) Discuss and apply Six Sigma as a quality improvement method using tools such as DMAIC for implementation.[2]

4. Performance measurement and strategic Human Resource Management issues

a) Advise on the relationship of HR management to performance measurement (performance rating) and suitable remuneration methods.[3]

b) Advise on the link between achievement of the corporate strategy and the management of human resources (e.g. through the Building Block model).[2]

c) Discuss and evaluate different methods of reward practices, including the potential beneficial and adverse consequences of linking reward to performance measurement.[3]

5. Other behavioural aspects of performance measurement

a) Discuss the accountability issues that might arise from performance measurement systems.[3]

b) Assess the statement; 'What gets measured, gets done' in the context of performance management. [3]

c) Demonstrate how management style needs to be considered when designing an effective performance measurement system (e.g. Hopwood's management styles).[3]

G Performance management information systems and developments in technology

1. Recording and processing systems and technologies

a) Demonstrate how the type of business entity will influence the recording and processing methods.[2]

b) Discuss how IT developments may influence management accounting systems (e.g. unified corporate databases, process automation, the internet of things, RFIDs, cloud and network technology).[3]

c) Explain how information systems provide instant access to previously unavailable data that can be used for benchmarking and control purposes and help improve business performance (e.g. through the use of artificial intelligence (AI), enterprise resource planning, knowledge management and customer relationship management systems and also, data warehouses).[3]

d) Discuss the difficulties associated with recording and processing data of a qualitative nature.[2]

2. Data analytics

a) Discuss the development of big data and its impact on performance measurement and management, including the risks and challenges it presents.[3]

b) Discuss the impact of big data and data analytics on the role of the management accountant.[3]

c) Demonstrate and evaluate different methods of data analysis (e.g. descriptive, diagnostic and predictive analytics). [3]

d) Discuss the use of alternative methods of data analytics (e.g. text, image, video and voice analytics and sentiment analysis. [2]

e) Discuss the ethical issues related to information collection and processing (e.g. the use of 'black box' algorithms and large-scale data collection and mining. [2]

3. Management reports

a) Evaluate the output reports of an information system in the light of.[3]
  i) best practice in presentation;
  ii) the objectives of the report/organisation;
  iii) the needs of the readers of the report; and
  iv) avoiding the problem of information overload
  v) the use of presentation techniques such as data visualisation

b) Advise on common mistakes and misconceptions in the use of numerical data used for performance measurement.[3]

c) Explore the role of the management accountant in providing key performance information for integrated reporting to stakeholders.[2]

H Performance evaluation

1. Alternative views of performance measurement and management

a) Apply and evaluate the 'balanced scorecard' approach as a way in which to improve the range and linkage between performance measures.[3]

b) Apply and evaluate the 'performance pyramid' as a way in which to link strategy, operations and performance.[3]

c) Apply and evaluate the work of Fitzgerald and Moon that considers performance measurement in business services using building blocks for dimensions, standards and rewards.[3]

d) Discuss and evaluate the application of activity-based management.[3]

e) Evaluate and apply the value-based management approaches to performance management.[3]

2. Strategic performance issues in complex business structures

a) Discuss the problems encountered in planning, controlling and measuring performance levels, e.g. productivity, profitability, quality and service levels, in complex business structures.[3]

b) Discuss the impact on performance management of the use of business models involving strategic alliances, joint ventures and complex supply chain structures.[3]

I Professional skills

1. Communication

a) **Inform** concisely, objectively, and unambiguously, while being sensitive to cultural differences, using appropriate media and technology.[3]

b) **Persuade** using compelling and logical arguments demonstrating the ability to counter argue when appropriate.[3]

c) **Clarify** and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by the intended audience.[3]

2. Commercial acumen

a) **Demonstrate awareness** of organisational and wider external factors affecting the work of an individual or a team in contributing to the wider organisational objectives.[3]

b) **Use judgement** to identify key issues in determining how to address or resolve problems and in proposing and recommending the solutions to be implemented.[3]

c) **Show insight** and perception in understanding work-related and organisational issues, including the management of conflict, demonstrating acumen in arriving at appropriate solutions or outcomes.[3]

3. Analysis

a) **Investigate** relevant information from a wide range of sources, using a variety of analytical techniques to establish the reasons and causes of problems, or to identify opportunities or solutions.[3]

b) **Enquire** of individuals or analyse appropriate data sources to obtain suitable evidence to corroborate or dispute existing beliefs or opinion and come to appropriate conclusions.[3]

c) **Consider** information, evidence and findings carefully, reflecting on their implications and how they can be used in the interests of the department and wider organisational goals.[3]

4. Scepticism

a) **Probe** deeply into the underlying reasons for issues and problems, beyond what is immediately apparent
from the usual sources and opinions available.[3]

b) **Question** facts, opinions and assertions, by seeking justifications and obtaining sufficient evidence for their support and acceptance.[3]

c) **Challenge** information presented or decisions made, where this is clearly justified, in a professional and courteous manner; in the wider professional, ethical, organisational, or public interest.[3]

5. Evaluation

a) **Assess** and use professional judgement when considering organisational issues, problems or when making decisions; taking into account the implications of such decisions on the organisation and those affected.[3]

b) **Estimate** trends or make reasoned forecasts of the implications of external and internal factors on the organisation, or of the outcomes of decisions available to the organisation.[3]

c) **Appraise** facts, opinions and findings objectively, with a view to balancing the costs, risks, benefits and opportunities, before

making or recommending solutions or decisions.[3]

7.Summary of changes to IPE

ACCA periodically reviews its qualification sylabbuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There have been amendments to the IPE study guide from the 2021-22 Study Guide. The main areas of change to the syllabus are summarised in the table below.

Section and subject area		Syllabus content
C2 Specific reference to block chain removed	Enabling success: disruptive technology	a) Identify and assess the potential impact of disruptive technologies such as Fintech, including cryptocurrencies.[3]
F2 New learning outcome	Performance management and control of the organisation	c) Evaluate the increased use of non-traditional profit-based performance measures in controlling organisations (e.g. beyond budgeting). [3]
G1 Learning outcome changed from level 2 to level 3	Recording and processing systems and technologies	b) Discuss how IT developments may influence management accounting systems (e.g. unified corporate databases, process automation, the internet of things, RFIDs, cloud and network technology).[3]
G2 New learning outcomes	Data analytics	c) Demonstrate and evaluate different methods of data analysis (e.g. descriptive, diagnostic and predictive analytics). [3] d) Discuss the use of alternative methods of data analytics (e.g. text, image, video and voice analytics and sentiment analysis. [2] e) Discuss the ethical issues related to information collection and processing (e.g. the use of 'black box' algorithms and large-scale data collection and mining. [2]
H The syllabus area on corporate failure has been removed	Performance evaluation	-