

Detailed competency map

**QP pre-entry education
Competency requirements for sub-degree holders**

(Professional bridging examination)

Fields of competency

The items listed in this section are shown with an indicator of the minimum acceptable level of competency, based on a three-point scale as follows:

1. Awareness

To have a general academic awareness of the field with a basic understanding of relevant knowledge and related concepts.

2. Knowledge

The ability to use knowledge to perform tasks competently without assistance in straightforward business situations or applications.

3. Application

The ability to apply comprehensive knowledge and a broad range of skills in a business setting to solve most problems generally encountered.

Paper IV: PBE Business law and taxation

Aim: This subject aims to provide students with an awareness of the overall legal framework in which businesses in Hong Kong operate so as to enable them to apply the relevant laws and practices to business problems and practical situations. It also aims to test students' ability to understand the taxation system in Hong Kong and taxation computation and basic tax planning.

Content

Unit of competency	Activity required to demonstrate competence (Performance indicators)	Level of competence required
1. Hong Kong legal system		
Illustrate the principal features of the legal environment, in particular: <ul style="list-style-type: none"> ○ The historical and formal sources of Hong Kong law ○ The system of courts and administration of justice ○ The doctrine of precedent ○ Legislation and statutory interpretation 	<ul style="list-style-type: none"> ▪ Discuss the need for law ▪ Illustrate the constitutional framework applying in Hong Kong society ▪ Explain the differences between legislation and case law ▪ Explain the court system in Hong Kong ▪ Explain the doctrine of precedent 	3 3 2 2 2
2. General principles of contract law		
Discuss the essential elements of a contract and the consequences of breaching a contract, in particular: <ul style="list-style-type: none"> ○ The essentials for the formation of a contract ○ Formality and terms of contract ○ Vitiating factors affecting the validity of a contract ○ The discharge of contracts ○ Remedies for breach of contract 	<ul style="list-style-type: none"> ▪ Determine the required elements to form a contract ▪ Explain different terms of a contract ▪ Discuss different vitiating factors and its effects. ▪ Discuss different circumstances in which a contract is discharged ▪ Explain the circumstances in which specific performance and injunctions may be suitable remedies 	3 2 3 3 2

3. Law of tort		
Discuss the law of tort in particular as it relates to negligence and business liability	▪ Discuss the required elements to establish a legal action in the law of tort.	3
	▪ Discuss the concepts of damages and defences as they relate to negligence	3
	▪ Describe employers' liability, occupiers' liability and vicarious liability	2
4. Employment laws		
Explain the followings: <ul style="list-style-type: none"> ○ The provisions of the Employment Ordinance ○ The jurisdiction and procedure of the Labour Tribunal ○ The provisions of Sex Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance in the context of employment 	▪ Explain the scope of the Employment Ordinance	2
	▪ Demonstrate who is classified as an employee	2
	▪ Explain the key provisions of the Employment Ordinance	2
	▪ Describe the process of a hearing in the Labour Tribunal	2
	▪ Explain the key provisions of Sex Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance	2
5. Bribery and corruption laws		
Explain the followings: <ul style="list-style-type: none"> ○ The provisions of the Prevention of Bribery Ordinance ○ The powers of investigation of the ICAC ○ Money laundering reporting obligations under Organized and Serious Crimes Ordinance 	▪ Explain the scope of the Prevention of Bribery Ordinance	2
	▪ Explain the key provisions of the Prevention of Bribery Ordinance	2
	▪ Describe the role of the Independent Commission Against Corruption (ICAC)	2
	▪ Explain the obligations under the money laundering legislation	2
6. The principal forms of ownership of business		
Compare ownership and governance structures of: <ul style="list-style-type: none"> ○ sole traders ○ partnerships ○ companies ○ joint ventures 	▪ Discuss the liability attaching to partners	3
	▪ Discuss the key provisions to be included in joint venture agreements	3
	▪ Discuss the concept of limited liability	3

Illustrate the registration requirements under the Business Registration Ordinance	<ul style="list-style-type: none"> ▪ Discuss the concepts of separate legal entities and lifting the corporate veil 	3
Explain the non-Hong Kong company provisions under Companies Ordinance	<ul style="list-style-type: none"> ▪ Explain the registration obligations under the Business Registration Ordinance 	2
	<ul style="list-style-type: none"> ▪ Explain non-Hong Kong company provisions under Companies Ordinance 	2
7. Company law: company formation		
<p>Illustrate and discuss the process of forming an incorporated body, in particular:</p> <ul style="list-style-type: none"> ○ The formation of a company and its constitution ○ The role of the Registrar of Companies ○ Registers, content, rights of access and location of a company's register of members, directors and secretaries, debenture holders and charges ○ Statutory books, records and return 	<ul style="list-style-type: none"> ▪ Illustrate the procedures in the formation of a registered company 	3
	<ul style="list-style-type: none"> ▪ Discuss the relevance of the provisions contained in the company's memorandum 	3
	<ul style="list-style-type: none"> ▪ Discuss the content of Table A/other chosen Articles of Association 	3
	<ul style="list-style-type: none"> ▪ Illustrate the requirements for record keeping 	3
8. Capital and financing of companies		
<p>Explain the nature of share capital and loan capital and to appreciate its complex nature, in particular:</p> <ul style="list-style-type: none"> ○ Share capital, how it is raised, classes of shares, alteration of share capital ○ Distributions to shareholders ○ Loan capital, forms of borrowing and types of security ○ Maintenance of capital 	<ul style="list-style-type: none"> ▪ Differentiate between different classes of share capital 	2
	<ul style="list-style-type: none"> ▪ Distinguish between fixed and floating charges 	2
	<ul style="list-style-type: none"> ▪ Explain how a company may alter its share capital 	2
	<ul style="list-style-type: none"> ▪ Explain the priority of different types of charges in the event of receivership and winding up 	2
	<ul style="list-style-type: none"> ▪ Explain the importance of maintenance of capital 	2

9. Administration of companies		
Discuss how companies make decisions and manage their activities, in particular: <ul style="list-style-type: none"> ○ The role and duties of company directors and company secretaries ○ The role and duties of auditors ○ The conduct of company meetings 	▪ Illustrate how directors are appointed and removed	3
	▪ Discuss the fiduciary duties of directors	3
	▪ Discuss the duty of care and skill owed by a director to his company	3
	▪ Discuss the duties and liabilities of auditors	3
	▪ Distinguish between the business of the company decided by directors and matters requiring the approval of the shareholders in general meeting	2
	▪ Explain the rules about minority protection and protection of outsiders	2
10. Liquidation		
Illustrate and discuss the followings: <ul style="list-style-type: none"> ○ Compulsory winding-up by the court ○ Members' voluntary winding-up ○ Creditors' voluntary winding-up ○ Appointment, powers, duties, liabilities and resignation of liquidator ○ Procedures for liquidation 	▪ Determine the types of liquidation	3
	▪ Discuss the roles of liquidators	3
	▪ Illustrate the procedures for liquidation	3
11. Overview of taxation system		
Describe the key aspects of the Hong Kong taxation system	▪ Describe the key aspects of the tax system in Hong Kong including tax administration	2
	▪ Describe the various types of taxation and tax bases applicable in Hong Kong	2
	▪ Discuss the criteria for ascertaining chargeability for all major taxes	3
	▪ Explain basic tax planning issues	2
12. Tax computation		
Prepare the computation of tax liabilities arising from: <ul style="list-style-type: none"> ○ Salaries tax ○ Profits tax ○ Stamp duty ○ Property tax 	▪ For straightforward transactions and situations, calculate and advise on tax liabilities for individuals, unincorporated businesses, partnerships and companies	3