

**QP pre-entry education  
competency requirements for sub-degree holders  
(professional bridging examination)**

## TECHNICAL COMPETENCIES

### 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 I: PBE FINANCIAL ACCOUNTING

This subject aims to assess students' understanding of the main principles and practices in financial reporting and examining their knowledge of the ethical issues and current developments in financial reporting.

### Framework of financial accounting and reporting

- Describe the regulatory framework in Hong Kong. 2
- Identify and explain the accounting theories and principles. 2
- Describe the framework for the presentation of the financial statements. 2
- Describe the financial reporting framework and standard for small and medium-sized entity. 2

### Accounting for business transactions

Account for transactions in accordance with Hong Kong Financial Reporting Standards:

- ~~Changes~~ Accounting policies, changes in accounting estimates and errors 3
- Revenue 3
- Government grants and assistance 2
- Employee benefits ~~2~~ 2
- Share-based payments 2
- Inventories ~~2~~ 3
- Property, plant and equipment 3

• Intangible assets	3
• Investment property	3
• Financial assets, financial liabilities and equity instruments	2
• Borrowing costs	<u>32</u>
• Impairments of assets	3
• Leases	2
• Events after the reporting period	3
• Provisions, contingent liabilities and contingent assets	<u>23</u>
• Incomes taxes	2
• The effects of changes in foreign exchange rates	2
• Related party disclosures	2
• Non-current assets held for sales and discontinued operations	2
• Earnings per share	3
• Interim financial reporting	1

### Preparation and presentation of financial statements

• Describe the basis of preparation and presentation of financial statements.	2
• Understand the regulatory framework of consolidated financial statements.	1
• Prepare financial statements in accordance with Hong Kong Financial Reporting Standards for:	
- subsidiaries;	3
- investments in associates; and	3
- interests in joint ventures.	3
• Explain the features of information systems (computerized and manual) which meet an organization's external reporting requirements.	<u>32</u>

### Ethics in financial reporting

• Explain the ethical responsibilities for professional accountants in preparing financial reports.	2
• Understand <del>forensic accounting</del> <u>risks of fraud</u> and <del>various misstatements arising from fraudulent</del> <u>error in</u> financial reporting.	1

### Current issues and developments in financial reporting

• <del>Explain</del> <u>Understand</u> the corporate governance debate and the impact this has on financial reporting disclosures.	<u>21</u>
• <del>Discuss</del> <u>Understand</u> the disclosure requirements on directors' remunerations, board composition, audit committee and their importance to corporate governance.	<u>21</u>
• Understand the growing emphasis and the developing needs of corporate social responsibilities.	1
• <del>Understand the current issues in financial reporting both in Hong Kong and internationally.</del>	<u>+</u>