



Special Topics for the June 2008 Professional Bridging Examination

Paper I - Financial Reporting

- Prepare and disseminate reports which meet an organisation's reporting policies
 - Financial reporting standards
 - Earnings per share
 - Events after the balance sheet date
 - Employee benefits
 - Consolidated financial statements
 - Business combinations
 - Cash flow statement
 - Revenue
 - Income taxes
 - Non-current assets held for sale

Paper II – Management Accounting

- Analyse information for managerial decision making
 - Cost accumulation for decision making
 - Relevant costs and revenues for decision making
- Contribute to the design of information system for planning and control
 - Standard costing and variance analysis
 - Transfer pricing method
- Understand information as a key resource, determine the information needs of the organisation, assess information system and communications requirements of the organisation and formulate information system strategies
 - Strategic significance of information systems: competitive advantage or strategic necessity

Paper III – Financial Management

- Understand the financial implications of organisational choices
 - Goals of corporate firms
- Manage an organisation's financial operation
 - Some alternatives to NPV and their problems
 - Investments of unequal lives
- Manage financial risk in organisations
 - Weighted average cost of capital (WACC)
- Understand the financial implications of an organization's capital structure
 - Financial leverage and returns to shareholders

- Understand the macro economic environment faced by business enterprises
 - Monetarist and Keynesian views of economy
 - Economic growth, inflation and unemployment
- Understand the techniques used in analysing business data
 - Sampling and statistical inference

Paper IV – Legal Environment

- Understand the overall structure of the Hong Kong legal system
 - The system of courts and the administration of justice
 - Case law and legislation
- Understand the nature of a limited company and the concept of separate legal entity and their significance in a business environment
 - The limited company – distinguished from other types of business organisations
- Understand basic features of company law so as to understand the essential framework of a limited company
 - Business Registration Ordinance
 - Formation of a company and the nature of its constitution
 - Statutory books, record and returns
 - Registration of oversea companies
- Understand the capital and financing of companies
 - Share capital: issue and transfer of shares; purchase and redemption of shares; dividends including script dividend and changes to capital
 - Loan capital: borrowing powers; types of debenture and their creation; company charges; registration, including oversea companies; remedies of loan creditors
- Understand the legal obligations of the management in relation to the administration of the company
 - Directors: appointment and termination of office; duties and powers; contractual capacity of directors; conflicts of interests; shareholder remedies; board of directors and division of power between the board and general meetings
 - Shareholders: majority control and the rights of minorities
 - Company meetings (annual and extraordinary general meetings): quorums, resolutions, votes, proxies