

## LEVEL 4 FINANCIAL REPORTING

### Objective

To broaden the knowledge base of basic accounting acquired in earlier modules with emphasis on International Financial Reporting Standards.

| Learning   | Outcome  |
|--|--|
| On the successful completion of this paper candidates will be able to: |  |
| 1  | Prepare financial statements including consolidated financial statements with one subsidiary Containing disclosures in accordance with IFRS and Companies Act, 2017.   |
| 2  | Accounting for transactions related to tangible and intangible assets and leases. Understand the concept of capitalization of borrowing costs.   |
| 3  | Accounting for transactions related to taxation. Comprehend rules of revenue recognition. Understand the reporting of basic earning per share and segment reporting.   |
| 4  | Understand the implications of changes in accounting policies, estimates and Errors. Understand the accounting of investment properties and non-current assets held for disposal. Understanding the definition of financial instrument and classification, recognition, measurement and presentation of basic financial instruments (excluding all kind of derivatives). |

### SPECIFICATION GRID

| S. No. | Syllabus Contents Area  | Weightage % |
|--------|---|-------------|
| 1      | Final account including consolidation with a single Subsidiary  | 20 - 30     |
| 2      | Accounting for tangible and intangible assets, leases, borrowing costs and impairment of assets (IES 16, 17, 23, 36, 38)  | 20 - 25     |
| 3      | Accounting for taxation, Revenue from contracts with customers, Basic Earnings per share  | 25 - 30     |
| 4      | Changes in Accounting policies and estimates and correction of errors, non-current assets held for disposal, investment properties and basic financial instruments. | 20-25       |
|        | Total   | 100         |

| Syllabus Ref | Contents  | Level | Learning Outcome   |
|--------------|---|-------|--|
| 1            | <b>Final Accounts including Consolidation with a single subsidiary</b>  |       |  |
|              | (a) Preparation of financial statements of limited companies under international financial reporting standards (those covered in syllabus) and Companies Act 2017.  | 2     | <p><b>LO1.1.1:</b> Identify the laws, regulations, reporting standards and other requirements applicable to statutory financial statements of a limited company</p> <p><b>LO1.1.2:</b> Prepare and present the following in accordance with the disclosure requirements of IAS1, Companies Act, fourth schedule / fifth schedule</p> <ul style="list-style-type: none"> <li>• Statement of financial position</li> <li>• Statement of comprehensive income</li> <li>• Statement of changes in equity</li> <li>• Notes to the financial statements</li> </ul> <p><b>LO1.1.3:</b> Prepare statement of cash flows in accordance with the requirements of IAS 7.</p>  |
|              | (b) Consolidated financial statements involving a single subsidiary and simple adjustments i.e. elimination of investment in subsidiary and recognizing goodwill/gain from bargain purchase; identification of non-controlling interest, inter-company sales and purchases and profit/loss on inventories (excluding tax impact). | 1     | <p><b>LO1.2.1:</b> Describe the concept of a group as a single economic unit</p> <p><b>LO1.2.2:</b> Define using simple examples subsidiary, parent and control</p> <p><b>LO1.2.3:</b> Describe situations when control is presumed to exist</p> <p><b>LO1.2.4:</b> Identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements</p> <p><b>LO1.2.5:</b> Eliminate (by posting journal entries) the carrying amount of the parent's investment in subsidiary against the parent's portion of equity of subsidiary and recognize the difference between the two balances as either.</p> <ul style="list-style-type: none"> <li>• goodwill; or</li> <li>• gain from bargain purchase</li> </ul> <p><b>LO1.2.6:</b> Define and describe non- controlling interest in the case of a partially owned subsidiary</p> |
|              |   |       | <p><b>LO1.2.7:</b> Identify the non-controlling interest in the following:</p> <ul style="list-style-type: none"> <li>• net assets of a consolidated subsidiary; and</li> <li>• profit or loss of the consolidated subsidiary for the reporting period</li> </ul> <p><b>LO1.2.8:</b> Post adjusting entries to eliminate the effects of intergroup sale of inventory and depreciable assets.</p> <p><b>LO1.2.9:</b> Prepare and present simple consolidated statements of financial position involving a single subsidiary in accordance with IFRS 10.</p> <p><b>LO1.2.10:</b> Prepare and present a simple consolidated statement of comprehensive income involving a single subsidiary in accordance with IFRS 10.</p>   |

| Syllabus Ref | Contents   | Level | Learning Outcome  |
|--------------|--|-------|---|
| 2            | <b>Accounting for Tangible and Intangible assets, leases, borrowing costs and impairment of assets</b>   |       |   |
| (a)          | "Recognition, de-recognition, measurement, depreciation"/<br>"amortization and measurement after recognition of non-current assets" (IAS 16 and IAS 38).   | 2     | <b>LO2.1.1:</b> Explain and apply the accounting treatment of property, plant and equipment and intangible assets<br><b>LO2.1.2:</b> Formulate accounting policies in respect of property, plant and equipment and intangible assets.   |
| (b)          | "Leases" (IAS 17)<br><ul style="list-style-type: none"> <li>• Operating and finance lease (excluding sale and lease back transactions and dealer leasing)</li> <li>• Preparation of amortization schedules and journal entries</li> <li>• Preparation of extracts of financial statements showing required disclosures</li> </ul>  | 2     | <b>LOI.2.2.1</b> Explain accounting lease by lessees.<br><b>LOI.2.2.2</b> Explain accounting of operating and finance lease by lessor.<br><b>LOI.2.2.3</b> Formulate accounting policies and prepare extracts and make disclosures.   |
| (c)          | "Borrowing costs" (IAS 23)<br><ul style="list-style-type: none"> <li>• Criteria for qualifying assets</li> <li>• Determining amount of borrowing cost to be capitalized</li> <li>• Disclosure requirements</li> </ul>  | 2     | <b>LO2.3.1:</b> Describe borrowing cost and qualifying assets using examples<br><b>LO2.3.2:</b> Identify and account for borrowing costs in accordance with IAS 23<br><b>LO2.3.3:</b> Disclose borrowing costs in financial statements<br><b>LO2.3.4:</b> Formulate accounting policies in respect of borrowing cost.   |
| (d)          | "Impairment of individual assets" (excluding cash generating unit, goodwill and financial assets) (IAS 36)<br><ul style="list-style-type: none"> <li>• Costs of disposal, fair value and recoverable amount of an asset</li> <li>• Measuring recoverable amount and value in use</li> <li>• Recognizing an impairment loss</li> <li>• Reversal of impairment loss recognized in prior period(s)</li> </ul> | 2     | <b>LO2.4.1:</b> Identify and assess the circumstances when the assets may be impaired<br><b>LO2.4.2:</b> Discuss the measurement of recoverable amount<br><b>LO2.4.3:</b> Identify a cash-generating unit and assess its recoverable amount, including its components<br><b>LO2.4.4:</b> Account for the related impairment expenses (excluding accounting for reversal of impairment). |

| <b>Syllabus Ref</b> | <b>Contents</b>  | <b>Level</b> | <b>Learning Outcome</b>  |
|---------------------|--|--------------|--|
| <b>3</b>            | <b>Accounting for Taxation, construction contracts, related party transactions and segment reporting</b>   |              |  |
| (a)                 | Ethics in Financial Reporting<br>Fundamental principles (sections 100 to 150 of the Code of Ethics for Chartered Accountants)<br>An understanding of ethics relating to preparation and reporting of financial information (Section 320 of Code of Ethics for Chartered Accountants)   |              | <b>LO3.1.1:</b> Explain basic tax policy considerations underlying common tax regimes.<br><b>LO3.1.2:</b> Understand tax-related statutory, regulatory, and professional ethics obligations and identify tax-based community service opportunities   |
| (b)                 | "Taxation" (IAS 12)<br><ul style="list-style-type: none"> <li>• Current and prior period tax</li> <li>• Difference between temporary and permanent timing differences</li> <li>• Deferred tax asset, liability and charge (excluding impact of revaluation of fixed assets, business combinations and goodwill, investments in subsidiary/associated undertakings and share based payments)</li> <li>• Journal entries</li> <li>• Disclosures</li> </ul> | 2            | <b>LO4.1.1:</b> Define temporary differences and identify temporary differences that cause deferred tax liabilities and deferred tax assets<br><b>LO4.1.2:</b> Determine amounts to be recognized in respect of temporary differences<br><b>LO4.1.3:</b> Prepare and present deferred tax calculations using the balance sheet approach<br><b>LO4.1.4:</b> Account for the major components of tax expense/income and its relationship with accounting profit<br><b>LO4.1.5:</b> Formulate accounting policies in respect of deferred tax<br><b>LO4.1.6:</b> Apply disclosure requirements of IAS12. |
| (c)                 | "Revenue from contract with customers" (IFRS-15)   | 2            | <b>LO3.3.1:</b> Identify the fundamental concepts related to revenue recognition and measurement.<br><b>LO3.3.2:</b> Apply the five-step revenue recognition process.<br><b>LO3.3.3:</b> Apply the five-step process to major revenue recognition issues.<br><b>LO3.3.4:</b> Identify presentation and disclosure requirements regarding revenue<br><b>LO 3.3.5</b> Accounting for Variable consideration, non-cash consideration and accounting for contract costs.   |
| (d)                 | "Basics Earning per share" (IAS-33)  | 2            | <b>LO3.4.1:</b> Explain how to apply the criteria for determining a reportable segment   |
| (e)                 | "Segment Reporting" (IFRS 8)<br><ul style="list-style-type: none"> <li>• Operating segments</li> <li>• Aggregation criteria</li> <li>• Quantitative thresholds</li> <li>• Disclosure requirements</li> </ul>   | 2            | <b>LO3.5.1:</b> Understand how to prepare the disclosures required by IFRS 8 for reportable segments   |

| Syllabus Ref | Contents   | Level | Learning Outcome   |
|--------------|--|-------|--|
| 4            | Changes in Accounting Policies and Estimates and Correction of Errors, non-current assets held for disposal, investment properties, Basic financial instruments. |       |  |
|              | (a) "Changes in Accounting Policies and estimates, error" (IAS-8)  | 2     | <p><b>LO5.1.1:</b> Define liability, provision, contingent liability and contingent asset also describe their accounting treatment.</p> <p><b>LO5.1.2:</b> Distinguish between provisions, contingent liabilities or contingent assets</p> <p><b>LO5.1.3:</b> Understand and apply the recognition and de-recognition criteria for provisions</p> <p><b>LO5.1.4:</b> Calculate/ measure provisions such as warranties/guarantees, restructuring, onerous contracts, environmental and similar provisions, provisions for future repairs or refurbishments</p> <p><b>LO5.1.5:</b> Account for changes in provisions</p>   |
|              | (b) "Non-current Assets held for Disposal" (IFRS 5)  | 2     | <p><b>LO5.2.1:</b> Define accounting policies, accounting estimates and prior period errors</p> <p><b>LO5.2.2:</b> Account for the effect of change in accounting estimates and policies in the financial statements</p>   |
|              | (c) "Investment Properties" (IAS 40)   | 2     | <p><b>LO5.2.3:</b> Understand and analyse using examples, IFRS guidance on accounting policies, change in accounting policies and disclosure</p> <p><b>LO5.2.4:</b> Understand and analyse using examples, IFRS guidance on accounting estimates, changes in accounting estimates and disclosure</p> <p><b>LO5.2.5:</b> Understand and analyse using examples, IFRS guidance on errors, correction of errors and disclosure</p> <p><b>LO5.2.6:</b> Assess and account for adjusting and non-adjusting events after the reporting period.</p> <p><b>LO5.2.7:</b> Determine items that require separate disclosure, including their accounting treatment and required disclosures.</p> <p><b>LO5.2.8:</b> Understand and analyze using examples, going concern issues arising after the end of the reporting period.</p> |
|              | (d) Basis Financial Instruments: "Classification, recognition and measurement of debt and equity instruments".   | 2     |  |

**LEVEL 4**  
**MANAGEMENT ACCOUNTING**

**Objective**

To equip candidates with techniques of management accounting to provide a knowledge base for decision making skills.

| <b>Learning</b> | <b>Outcome</b>   |
|-----------------|--|
|                 | On the successful completion of this paper candidates will be able to:           |
| 1               | Prepare budgets and forecasts and understand budgetary controls                  |
| 2               | Apply the cost accounting concepts and techniques in the decision-making process |
| 3               | Carry out performance analysis   |
| 4               | Apply the concept of time value of money   |

**SPECIFICATION GRID**

| <b>S. No.</b> | <b>Syllabus Contents Area</b>         | <b>Weightage %</b> |
|---------------|---------------------------------------|--------------------|
| 1             | Introduction to management accounting | 3 - 7              |
| 2             | Forecasting and budgeting             | 15 - 20            |
| 3             | Performance analysis                  | 25 - 35            |
| 4             | Decision making                       | 30 - 40            |
| 5             | Introduction to financial management  | 10 - 15            |
|               | Total                                 | 100                |

| <b>Syllabus Ref</b> | <b>Contents</b>                              | <b>Level</b> | <b>Learning Outcome</b>   |
|---------------------|--|--------------|---|
| <b>1</b>            | <b>Introduction to management accounting</b> |              |   |
| (a)                 | Scope of management accounting               | 2            | <b>LO1.1.1:</b> Explain how Management Accounting works<br><b>LO1.1.2:</b> Stakeholders of Management Accounting.<br><b>LO1.1.3:</b> Feasibility of the achievement of objective through Management Accounting<br><b>LO1.1.4:</b> Drawbacks of the Management Accounting<br><b>LO1.1.5:</b> Expectation of Stakeholders from the study of Management Accounting.<br><b>LO1.1.6:</b> Difference between Cost and Management Accounting.  |
| (b)                 | Objectives and role of management accounting | 2            |   |
| (c)                 | Limitations of management accounting         | 1            |   |
| <b>2</b>            | <b>Forecasting and Budgeting</b>             |              |   |
| (a)                 | Purpose of budgeting and forecasting         | 2            | <b>LO2.1.1:</b> Explain how budgeting process works and how it fits into overall planning and control<br><b>LO2.1.2:</b> Prepare forecasts on given data and assumptions using Qualitative and Quantitative methods including Time Series Models, Moving Averages and Linear Regression Analysis.<br><b>LO2.1.3:</b> Identify and describe different purposes of budgeting<br><b>LO2.1.4:</b> Identify and describe the various stages in the budgeting process<br><b>LO2.1.5:</b> Prepare following types of budgets: <ul style="list-style-type: none"> <li>• fixed and flexible budgets;</li> <li>• sales budget;</li> <li>• production budget;</li> <li>• direct materials budget;</li> <li>• direct labour budget;</li> <li>• manufacturing overhead budget;</li> <li>• inventory budget;</li> <li>• cost of goods sold budget;</li> <li>• selling and administrative expenses</li> <li>• Master/cash budget;</li> <li>• zero based budgets, and</li> <li>• capital expenditure budgets;</li> </ul> <b>LO2.1.6:</b> Discuss various approaches to Budgeting (i.e. flexible and fixed budgets, incremental budgeting, zero based budgeting, continuous (rolling) budgeting and performance budgeting<br><b>LO2.1.7:</b> Describe the human & motivational aspects of budgets. |
| (b)                 | Budget and planning process                  |              |   |
| (c)                 | Revenue and production budgets               |              |   |
| (d)                 | Cash budgets                                 |              |   |
| (e)                 | Zero based budgeting and flexible budgets    |              |   |
| (f)                 | Budgetary controls                           |              |   |

# PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

| Syllabus Ref | Contents  | Level | Learning Outcome  |
|--------------|---|-------|---|
| <b>3</b>     | <b>Performance Analysis</b>   |       |   |
|              | (a) Cost, volume and profit analysis  |       | <b>LO3.1.1:</b> Explain the break-even point using examples and margin of safety<br><b>LO3.1.2:</b> Calculate the breakeven point in quantity and amount from information provided<br><b>LO3.1.3:</b> Apply cost volume profit (CVP) analysis and explain its usefulness for management   |
|              | (b) Break-even analysis   | 2     |   |
|              | (c) Working capital management (Cash, debtor, creditors and inventory management techniques and policies)   | 2     |   |
|              | (d) Return on capital   | 2     |   |
|              | (e) Divisional performance  | 2     |   |
|              | (f) Transfer pricing  | 2     |   |
|              | (g) Performance analysis of non-profit and public welfare organization  | 2     |   |
| <b>4</b>     | <b>Decision Making</b>  |       |   |
|              | (a) Cost Concepts in decision making <ul style="list-style-type: none"> <li>• Relevant cost</li> <li>• Sunk cost</li> <li>• Opportunity cost / imputed cost</li> <li>• Replacement cost</li> <li>• Differential cost</li> </ul> |       | <b>LO4.1.1:</b> Describe opportunity cost Using examples.<br><b>LO4.1.2:</b> Describe relevant costs using examples<br><b>LO4.1.3:</b> Identify the costs that are relevant to a particular decision in given data.   |
|              | (b) Pricing decisions and pricing strategies  | 2     | <b>LO4.2.1:</b> Apply marginal and relevant costing concepts to analyse make or buy options<br><b>LO4.2.2:</b> Analyse make or buy options in case of capacity constraints<br><b>LO4.2.3:</b> Discuss using examples the importance of qualitative considerations in make or buy decisions.<br><b>LO4.2.4:</b> Perform incremental cost benefit analysis for a special order.<br><b>LO4.2.5:</b> Perform incremental cost benefit analysis for further processing Costs |
|              | (c) Make or buy decisions   | 2     |   |
|              | (d) Sell or process decision  | 2     |   |
|              | (e) Operate or shut down decisions  | 2     |   |
|              | (f) Utilization of spare capacity   | 2     |   |
|              | (g) Pricing for special orders  | 2     |   |
| <b>5</b>     | <b>Introduction to financial Management</b>   |       |   |
|              | (a) Concept of present value and net present value  | 1     | <b>LO5.1.1:</b> Explain the time value of money<br><b>LO5.1.2:</b> Identify and calculate relevant cash flows for investment projects.<br><b>LO5.1.3:</b> Calculate net present value and internal rate of return of given cash flows.<br><b>LO5.1.4:</b> Assess the usefulness of NPV and IRR models.<br><b>LO5.1.5:</b> Understand different phases   |
|              | Capital Budgeting (Capital Budget Technique) Debt vs equity financing (Source of Financing)   | 2     |   |



## LEVEL 4 AUDIT, ASSURANCE & ETHICS

### Objective

To acquire knowledge of theory, skills, techniques of auditing and to enable the students to understand International Standards on Auditing, Assurance and Ethics.

| Learning   | Outcome  |
|--|--|
| On the successful completion of this paper candidates will be able to: |  |
| 1  | Demonstrate knowledge of general concepts governing an audit   |
| 2  | Demonstrate working knowledge of simple audit procedures and the requirements of the Companies Act 2017 relating to audit report on financial statements               |
| 3  | Understand the guidelines provided by International Standards on Auditing on specific matters which the auditor is generally expected to deal with in any normal audit |
| 4  | Comprehend the fundamental principles of professional ethics governing the conduct of personnel involved in audit  |

### SPECIFICATION GRID

| S. No. | Syllabus Contents Area                   | Weightage % |
|--------|--|-------------|
| 1      | General concepts and principles of audit | 20 - 25     |
| 2      | Performance of audit and reporting       | 30 - 40     |
| 3      | Audit evidence                           | 25 - 30     |
| 4      | Professional Accountancy (as per IFAC)   | 10 - 15     |
| 5      | Professional Ethics                      | 10 - 15     |
|        | Total                                    | 100         |

| <b>Syllabus Ref</b> | <b>Contents</b>  | <b>Level</b> | <b>Learning Outcome</b>  |
|---------------------|--|--------------|--|
| <b>1</b>            | <b>General concepts and principles of audit</b>  |              |  |
| (a)                 | Introduction to International Federation of Accountants  | 1            | <b>LO1.1.1:</b> Briefly describe the organizational overview encompassing <ul style="list-style-type: none"> <li>• History;</li> <li>• Vision and mission</li> </ul>   |
| (b)                 | Introduction to International Auditing and Assurance Standard Setting Body                                 | 1            | <b>LO1.2.1:</b> Briefly describe the objectives and functions of IAASB.  |
| (c)                 | Objectives and General Principles governing an audit (ISA 200)   | 2            | <b>LO1.3.1:</b> Describe the objectives of audit including concepts of accountability, stewardship, agency, independence and fair presentation<br><b>LO1.3.2:</b> Describe the overall objectives of the independent auditor.<br><b>LO1.3.3:</b> Describe the concepts of assurance and levels of assurance i.e. absolute, reasonable and limited assurance including elements of an assurance engagement, assurances provided by audit and review engagement<br><b>LO1.3.4:</b> Explain the requirements of an external audit, eligibility and ineligibility of auditor<br><b>LO1.3.5:</b> Describe the rights and duties of auditors<br><b>LO1.3.6:</b> Explain the nature and scope of an audit designed to enable the independent auditor to meet those objectives<br><b>LO1.3.7:</b> Outline the requirements establishing the general responsibilities of the independent auditor applicable in all audits including consideration of inherent limitations of an audit<br><b>LO1.3.8:</b> Discuss the concept of professional skepticism.<br><b>LO1.3.9:</b> Discuss the concept of interim and final audit<br><b>LO1.3.10:</b> List the audit procedures that can be performed by the external auditor at the interim and final stage of an audit<br><b>LO1.3.11:</b> Discuss the concept of audit of Not-for-profit organizations. |
| (d)                 | Distinguish between the responsibilities of auditor and the accountant, in respect of financial statements | 2            | <b>LO1.4.1:</b> Understand the responsibility of management and those charged with governance for financial reporting and related internal control on financial reporting  |

| <b>Syllabus Ref</b> | <b>Contents</b>   | <b>Level</b> | <b>Learning Outcome</b>   |
|---------------------|---|--------------|---|
| (e)                 | Auditor's responsibility to consider fraud (ISA 240)                                | 2            | <p><b>LO1.5.1:</b> Distinguish between the terms 'error', 'fraud' and 'misstatement'</p> <p><b>LO1.5.2:</b> Compare the respective responsibilities of management and auditors for fraud</p> <p><b>LO1.5.3:</b> Describe the matters to be considered and procedures to be carried out to assist the auditor in identifying, assessing and detecting the risks of material misstatement due to fraud</p> <p><b>LO1.5.4:</b> Identify the fraud risk factors in the simple scenario as given in the appendix 1 of ISA 240</p> <p><b>LO1.5.5:</b> Identify the circumstances that indicate the possibility of fraud in the simple scenario as given in the Appendix 3 of ISA 240.</p> |
| (f)                 | Appointment and removal of auditors (sections 252 to 260 of the Companies Act 2017) | 2            | <p><b>LO1.6.1:</b> Explain how the first and subsequent auditors are appointed</p> <p><b>LO1.6.2:</b> Explain how the first and subsequent auditors are removed</p> <p><b>LO1.6.3:</b> Describe qualification and disqualification of the auditor</p> <p><b>LO1.6.4:</b> Describe the powers and duties of auditors</p> <p><b>LO1.6.5:</b> Describe the concept of audit of cost accounts</p> <p><b>LO1.6.6:</b> Discuss the additional matters to be included in the auditor's report.</p>   |
| (g)                 | Terms of audit engagements (ISA 210)  | 2            | <p><b>LO1.7.1:</b> Describe the preconditions for an audit and upon which it is necessary for the auditor and the entity's management to agree</p> <p><b>LO1.7.2:</b> Respond if preconditions are not present or limit is imposed on scope of audit in well explained simple situations</p> <p><b>LO1.7.3:</b> State the contents of an audit engagement letter</p> <p><b>LO1.7.4:</b> Discuss the requirement of issuance of engagement letter and factors that necessitate the issuance of engagement letter in case of recurring audit</p> <p><b>LO1.7.5:</b> Discuss the circumstances of acceptances of changes in terms of engagement by the auditor.</p>                    |
| <b>2</b>            | <b>Performance of audit and reporting</b>   |              |   |
| (a)                 | Planning an audit (ISA 300)   | 2            | <p><b>LO2.1.1:</b> Discuss the need for planning an audit including contents of an audit plan and its relation with risk assessment</p> <p><b>LO2.1.2:</b> Discuss the contents of overall audit strategy and audit plan</p> <p><b>LO2.1.3:</b> State who should be involved in planning and what preliminary engagement activities are necessary</p> <p><b>LO2.1.4:</b> Outline the additional considerations that should be identified while planning the initial audit.</p>  |

| Syllabus Ref | Contents                                    | Level | Learning Outcome   |
|--------------|---|-------|--|
| (b)          | Assessment of audit risks (ISA 315 and 330) | 2     | <p><b>LO2.2.1:</b> Discuss the risk-based approach to auditing including audit risk model</p> <p><b>LO2.2.2:</b> Identify the inherent risk, control risk and detection risk in simple scenario</p> <p><b>LO2.2.3:</b> Explain relationship between audit risk and its components i.e. inherent risk, control risk and detection risk</p> <p><b>LO2.2.4:</b> Discuss the identification and assessment of the risks of material misstatement at both the financial statement level and assertion level, including understanding of entity, its environment, accounting and internal control systems</p> <p><b>LO2.2.5:</b> Explain the elements of internal control</p> <p><b>LO2.2.6:</b> Discuss the evaluation of controls and control environment and communication of deficiencies to the management</p> <p><b>LO2.2.7:</b> Explain the categories of control activities (internal controls) by using simple examples including Application and General IT Controls</p> <p><b>LO2.2.8:</b> Explain and identify the control weaknesses in the given scenario and suggest appropriate recommendations to remove these weaknesses</p> <p><b>LO2.2.9:</b> Discuss and explain the limitations of internal control system</p> |
| (c)          | Audit materiality (ISA 320)                 | 2     | <p><b>LO2.3.1:</b> Explain the concepts of materiality and performance materiality using simple examples.</p> <p><b>LO2.3.2:</b> Explain materiality level or levels for particular classes of transactions, account balances or disclosures</p> <p><b>LO2.3.3:</b> Explain the relationship between audit risk and level of materiality</p>   |
| (d)          | Audit evidence (ISA 500)                    | 2     | <p><b>LO2.4.1:</b> Explain, using examples, sufficient appropriate audit evidence</p> <p><b>LO2.4.2:</b> Discuss the general principles assisting the auditor in assessing the relevance and reliability of audit evidence</p> <p><b>LO2.4.3:</b> Discuss audit procedures to obtain audit evidence including types of audit procedures</p> <p><b>LO2.4.4:</b> Discuss the course of action available to auditor in case sufficient appropriate audit evidence is not obtained</p> <p><b>LO2.4.5:</b> Explain the financial statement assertions including Assertions about class of transactions, account balances and presentation and disclosure</p> <p><b>LO2.4.6:</b> Explain the audit work related to Inventory</p>   |

| Syllabus Ref |     | Contents   | Level | Learning Outcome   |
|--------------|-----|--|-------|--|
|              | (e) | Audit sampling (ISA 530)                               | 2     | <p><b>LO2.5.1:</b> Explain audit sampling, statistical sampling and sampling and non-sampling risk using simple examples</p> <p><b>LO2.5.2:</b> Discuss the relationship between sampling and audit risk model</p> <p><b>LO2.5.3:</b> Explain what matters are considered by auditors in respect of sample design, size and selection of items for testing using simple examples including sample selection method.</p>  |
|              | (f) | Tests of controls and Substantive procedures (ISA 330) | 2     | <p><b>LO2.6.1:</b> Explain the nature, extent and timing of test of controls using simple examples</p> <p><b>LO2.6.2:</b> Explain the concept of Computer Assisted Audit Techniques</p> <p><b>LO2.6.3:</b> Explain how auditors evaluate the operating effectiveness of controls using simple examples</p> <p><b>LO2.6.4:</b> Understand the financial statement assertions</p> <p><b>LO2.6.5:</b> Briefly explain the advantages and dis-advantages of both test data and audit software.</p> <p><b>LO2.6.6:</b> Discuss the use of computer software in substantive testing, auditing around the computer and directional testing</p> <p><b>LO2.6.7:</b> Discuss the methods of obtaining audit evidence for substantive testing</p> <p><b>LO2.6.8:</b> Explain the nature, extent and timing of substantive procedures for different items of financial statements.</p> <p><b>LO2.6.9:</b> Explain the controls over major transaction cycles including related risks, weaknesses control objectives and designing appropriate tests of controls.</p> |
|              | (g) | Analytical procedures (ISA 520)                        | 2     | <p><b>LO2.7.1:</b> Explain the nature and purpose of substantive analytical procedures using simple examples</p> <p><b>LO2.8.2:</b> State the purpose of analytical procedures performed near the end of the audit</p> <p><b>LO2.7.2:</b> Applying analytical procedures through calculations of different ratios for different items of financial statements</p> <p><b>LO2.7.3:</b> Factors to be considered when using analytical procedures as substantive procedures</p> <p><b>LO2.7.4:</b> Course of action when results of analytical procedures identify fluctuations and inconsistencies.</p>  |

# PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

| Syllabus Ref | Contents  | Level | Learning Outcome  |
|--------------|---|-------|---|
| (h)          | Documentation (ISA 230)   | 2     | <p><b>LO2.8.1:</b> Explain the nature and purpose of audit documentation</p> <p><b>LO2.8.2:</b> Describe the form, content and extent of audit documentation using simple examples</p> <p><b>LO2.8.3:</b> Discuss the use of computer based audit working papers</p> <p><b>LO2.8.4:</b> Explain the difference between permanent and current working papers with examples.</p> <p><b>LO2.8.5:</b> List the contents of working paper file / audit documentation</p> <p><b>LO2.8.6:</b> Discuss the ownership, custody and confidentiality of audit working papers</p> <p><b>LO2.8.7:</b> Understand the nature of assembly of the final audit file.</p>   |
| (i)          | Contents of audit report of annual financial statements under Companies Ordinance, 1984 and types of modifications in audit reports |       | <p><b>LO2.9.1:</b> Understand modified and unmodified audit opinion</p> <p><b>LO2.9.2:</b> Explain qualified opinion, disclaimer of opinion and adverse opinion</p> <p><b>LO2.9.3:</b> Explain emphasis of matter and other matter in the auditor's report</p> <p><b>LO2.9.4:</b> List the circumstances under which an external auditor uses an emphasis of matter and other matter paragraph in the auditor's report</p>  |
| <b>3</b>     | <b>Audit evidence</b>   |       |   |
| (a)          | External Confirmations (ISA 505)  | 2     | <p><b>LO3.1.1:</b> Define external confirmation and list various types of third party confirmations available to an external auditor.</p> <p><b>LO3.1.2:</b> Describe the significance of using external confirmation procedures for obtaining relevant and reliable audit evidence</p> <p><b>LO3.1.3:</b> Describe the steps involved in external confirmation procedures</p> <p><b>LO3.1.4:</b> Differentiate between the positive confirmation request and negative confirmation request, including their appropriateness in different situations</p> <p><b>LO3.1.5:</b> Discuss the conditions of sending negative confirmations</p> <p><b>LO3.1.6:</b> Discuss the auditor's course of Action if management refuses to allow auditor to send confirmation.</p> |
| (b)          | Subsequent events (ISA 560) (Excluding matters related to issuance of revised reports)  | 2     | <p><b>LO3.2.1:</b> Explain subsequent events and its relevance with the following critical dates</p> <ul style="list-style-type: none"> <li>• Date of the financial statements</li> <li>• Date of approval of the financial statements</li> <li>• Date of the auditor's report</li> <li>• Date the financial statements are issued</li> </ul>   |

| Syllabus Ref | Contents                                     | Level | Learning Outcome  |
|--------------|--|-------|---|
|              |  |       | <p><b>LO3.2.2:</b> Explain the subsequent events review procedure</p> <p><b>LO3.2.3:</b> Discuss the classification of subsequent events into adjusting and non-adjusting events</p> <p><b>LO3.2.4:</b> Describe the auditor's responsibility in respect of following situations</p> <ul style="list-style-type: none"> <li>• Events occurring between the date of the financial statements and the date of the auditor's report</li> <li>• Facts which become known to the auditor after the date of the auditor's report but before the date the financial statements are issued</li> <li>• Facts which become known to the auditor after the financial statements have been issued</li> </ul> <p><b>LO3.2.5:</b> Identify the subsequent events and explain the auditor's responses.</p> |
| (c)          | Written representation (ISA 580)             | 2     | <p><b>LO3.3.1:</b> Discuss the nature of written representations as audit evidence</p> <p><b>LO3.3.2:</b> Discuss the circumstances where written representations are necessary and the matters on which representations are commonly obtained</p> <p><b>LO3.3.3:</b> Discuss the form and content of written representations</p> <p><b>LO3.3.4:</b> Explain the various types of written representation</p> <p><b>LO3.3.5:</b> Discuss the auditor's course of action if management refuses to provide requested written representation.</p> <p><b>LO3.3.6:</b> Discuss the auditor's course of action when there is doubt as to the reliability of written representation provided by the management.</p>   |
| (d)          | Using the work of internal auditor (ISA 610) | 2     | <p><b>LO3.4.1:</b> Explain the relationship between the external auditor with internal auditors and auditor's experts</p> <p><b>LO3.4.2:</b> Explain the internal audit function including internal audit activities</p> <p><b>LO3.4.3:</b> Discuss the factors determining the independence of internal auditors and weaknesses and limitations of internal audit</p> <p><b>LO3.4.4:</b> Discuss how external auditors determine whether and to what extent they use the work of internal audit</p>  |

| Syllabus Ref | Contents   | Level | Learning Outcome   |
|--------------|--|-------|--|
| (e)          | Using the work of auditor's expert (ISA 620)   | 2     | <p><b>LO3.5.1:</b> Discuss how the auditor assesses the work of an expert</p> <p><b>LO3.5.2:</b> Discuss how the external auditor uses the work of an auditor's Expert when that work is used to assist in obtaining sufficient appropriate audit evidence.</p>  |
| (f)          | Difference between annual audit and review of interim financial statements                     | 2     | <p><b>LO3.6.1:</b> Explain the objective of a review engagement of financial statements and how it differs from an audit</p> <p><b>LO3.6.2:</b> State the terms of engagement which maybe included in the engagement letter</p> <p><b>LO3.6.3:</b> Explain assurance and non- assurance engagement with examples.</p> <p><b>LO3.6.4:</b> Describe the procedures generally adopted by the practitioner to obtain evidence in review engagements</p> <p><b>LO3.6.5:</b> Discuss and explain the report issued under engagement to review financial statements.</p>  |
| <b>4</b>     | <b>Professional Accountancy (as per IFAC)</b>  |       |  |
| (a)          | Fundamental principles (Section 100 to 150 of the Code of Ethics for Chartered Accountants)    | 2     | <p><b>LO4.1.1:</b> Describe with simple examples the fundamental principles of professional ethics of integrity, objectivity, professional competence and due care, confidentiality and professional behavior</p> <p><b>LO4.1.2:</b> Apply the conceptual framework to identify, evaluate and address threats to compliance with fundamental principles</p> <p><b>LO4.1.3:</b> Understand the threats and circumstances that cause threats of self-interest, self-review, advocacy, familiarity, and intimidation</p> <p><b>LO4.1.4:</b> Discuss the safeguards to offset the threats to compliance with the fundamental principles</p> <p><b>LO4.1.5:</b> Discuss the concept of ethical conflict resolution.</p>         |
| (b)          | Client and engagement acceptance (Section 210 of the Code of Ethics for Chartered Accountants) | 2     | <p><b>LO4.2.1:</b> Explain the advertisement and publicity guidelines of ICAP's Code of Ethics for obtaining the audit work</p> <p><b>LO4.2.2:</b> Apply the conceptual framework to identify, evaluate and address threats in case of Fees, Referral Fees and Tendering for audit work.</p> <p><b>LO4.2.3:</b> Explain using simple examples the matters to be considered and the procedures that an audit firm/ professional accountant should carry out in the following circumstances:</p> <ul style="list-style-type: none"> <li>• Client acceptance</li> <li>• Engagement acceptance</li> <li>• Changes in a professional appointment (including Additional work, Mid-Term Removal and Non-reappointment)</li> </ul> |



| Syllabus Ref | Contents                          | Level | Learning Outcome   |
|--------------|-----------------------------------|-------|--|
| 5            | <b>Professional Ethics</b>        |       |  |
|              | (c) Code of Ethics issued by IFAC | 2     | <p><b>LO5.1.1:</b> Describe with simple examples the fundamental principles of professional ethics of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p><b>LO5.1.2:</b> Apply the conceptual framework to identify, evaluate and address threats to compliance with fundamental principles.</p> <p><b>LO5.1.3:</b> Understand the threats and circumstances that cause threats of self-interest, self-review, advocacy, familiarity, and intimidation.</p> <p><b>LO5.1.4:</b> Discuss the safeguards to offset the threats to compliance with the fundamental principles.</p> <p><b>LO5.1.5:</b> Discuss the concept of ethical conflict resolution.</p> |

## LEVEL 4 BUSINESS ORGANIZATION

| Learning   | Outcome   |
|--|---|
| On the successful completion of this paper candidates will be able to: |   |
| 1  | Lead the organization through the discharge of its responsibilities in relation to strategic direction, policy approval, oversight and accountability such that the good governance outcomes of an ethical culture, good performance, effective control and legitimacy with stakeholders are achieved by the organization and to Explain the Governance plays a pivotal role in determining how organizations function, which is why we have witnessed a proliferation of governance concepts in diverse contexts |
| 2  | Explain the investigating attributes of a risk management training decision framework has been a challenging research experience that was only made possible with the support and cooperation from a number of people.  |
| 3  | Explaining the COSO internal control framework begins with a focus on organizational objectives for operations, reporting, and compliance and identifies five components of internal control Understand an organization's environment includes factors that it can readily affect as well as factors that largely lay beyond its influence.   |
| 4  | Understand the impact of globalization. Know the main aspects.  |

### SPECIFICATION GRID

| S. No. | Syllabus Contents Area  | Weightage % |
|--------|---|-------------|
| 1      | Principles of Good Governance   | 25-35       |
| 2      | Rights and Responsibilities of Stakeholders and Components of Organization Governance Framework | 20-25       |
| 3      | Risk Management Framework for Organization  | 20-25       |
| 4      | Components of Internal Control Reporting Framework  | 20-25       |
| 5      | Environment of Organization (PESTEL) & Globalization  | 20-25       |
| Total  |   | 100         |

| Syllabus Ref |     | Contents   | Level | Learning Outcome  |
|--------------|-----|--|-------|---|
| <b>1</b>     |     | <b>Principles of Good Governance</b>                     |       |   |
|              | (a) | Participation, Representation, Fair Conduct of Elections | 3     | <b>LO1.1.1:</b> Understanding the principles that are stated to be evolutionary in nature and should be reviewed in the light of significant changes in circumstances. Learning the corporate governance, which is primarily based on ethical code of business conduct, the principles of good corporate governance should be non-binding on the corporate companies. |
|              | (b) | Responsiveness   | 3     | <b>LO1.1.2:</b> To learn the quality of reacting quickly and positively.  |
|              | (c) | Efficiency and Effectiveness                             | 3     | <b>LO1.1.3:</b> To learn the ability to do things well, successfully, and without waste, while the meeting the degree of successfully producing the desired result.   |
|              | (d) | Openness and Transparency                                | 3     | <b>LO1.1.4:</b> To increase the acceptability and making an individual transparent and fair.  |
|              | (e) | Rule of Law  | 3     | <b>LO1.1.5:</b> Understanding the restriction of the arbitrary exercise of power by subordinating it to well-defined and established laws.  |
|              | (f) | Ethical Conduct  | 3     | <b>LO1.1.6:</b> A code of ethics outlines the ethical principles that govern decisions and behavior at a company or organization.   |
|              | (g) | Competence and Capacity                                  | 3     | <b>LO1.1.7:</b> To learn demonstrable characteristics and skills that enable performance of a job and maximizing the output.  |
|              | (h) | Innovation and Openness to Change                        | 3     | <b>LO1.1.8:</b> To familiarize students with the concept of continuous improvement and adaptability towards new advancements & betterment.  |
|              | (i) | Sustainability and Long-term Orientation                 | 3     | <b>LO1.1.9:</b> To focus on meeting the needs of the present and as well as acquiring the long-term goals.  |
|              | (j) | Sound Financial Management                               | 3     | <b>LO1.1.10:</b> To learn careful tracking and prudent management of company's financial resources and cash-flow.   |
|              | (k) | Human rights, Cultural Diversity and Social Cohesion     | 3     | <b>LO1.1.11:</b> Understanding the rights basic rights of workforce.<br><b>LO1.1.12:</b> Believe in co-existence and cross-cultural relations amongst the diversified workforce.<br><b>LO1.1.13:</b> The concept of social cohesion, and its relationship to human rights in particular; discrimination   |
|              | (l) | Accountability   | 3     | <b>LO1.1.12:</b> To understand the responsibility within job and considering accountable for the job.   |

# PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

| Syllabus Ref | Contents  | Level | Learning Outcome   |
|--------------|---|-------|--|
| <b>2</b>     | <p><b>Rights and Responsibilities of Stakeholders and Components of Organization Governance Framework</b></p> <p><i>The main components of a governance model contain some important key aspects:</i></p> |       |  |
|              | (a) Board Oversight and Responsibilities  | 3     | <b>LO2.1.1:</b> The responsibilities of board, carrying out oversight responsibilities across the organization in areas such as business and risk strategy, organization, financial soundness and regulatory compliance.   |
|              | (b) Committee Authorities and Responsibilities  | 3     | <b>LO2.2.1:</b> Understanding the authorities of committee. As per the bylaws, the committee is given responsibilities to act on behalf of the board, its membership, functions, and authority level.  |
|              | (c) Organizational Design and Reporting Structure   | 3     | <b>LO2.3.1:</b> Understanding the organizational design is actually a formal process of integrating people, information and technology together in the right mix to achieve objectives and its relations with organizational structure is the formal lines of authority  |
|              | (d) Management Accountability and Authority   | 3     | <p><b>LO2.4.1:</b>Understanding the obligation.</p> <ul style="list-style-type: none"> <li>• There must be an obligation or duty to do something where someone is held to account.</li> <li>• An action. An individual is held to account for not just results, but also, actions. More than simply getting something done, accountability involves how it gets done.</li> </ul> |
|              | (e) Performance Management and Incentives   | 3     | <b>LO2.5.1:</b> Learning the performance management, and its pivotal elements' role in driving corporate decision-making for people and about people; in the form of incentives.   |
| <b>3</b>     | <b>Risk Management Framework for Organization</b>   |       |  |
|              | (a) Business Risks  | 3     | <b>LO3.3.1:</b> Understanding the threats and prospects failure for the business.  |
|              | (b) Enterprise Risk Management  | 3     | <b>LO3.3.2:</b> Analysis about the modern businesses, how they face diverse collection of obstacles and potential dangers.   |
|              | (c) Risk Management Responsibilities  | 3     | <b>LO3.3.3:</b> Learning the set of responsibilities; to communicate risk policies and processes for an organization   |
|              | (d) Stakeholders and Risks  | 3     | <b>LO3.3.4:</b> Understanding that Risks often have difficulty clarifying the role of stakeholders in risk management.   |
|              | (e) Risk Assessment Risk response   | 3     | <b>LO3.3.5:</b> Understanding that the response(s) to a given risk should reflect the risk type, the risk assessment (likelihood, impact, and criticality) and the organization's attitude to risk.  |

| Syllabus Ref | Contents   | Level | Learning Outcome   |
|--------------|--|-------|--|
| 4            | <p><b>Components of Internal Control Reporting Framework</b></p> <p><i>In an “effective” internal control system, the following five components work to support the achievement of an entity’s mission, strategies and related business objectives.</i></p>  |       |  |
| (a)          | <p>Control Environment</p> <ul style="list-style-type: none"> <li>• Integrity and Ethical Values</li> <li>• Commitment to Competence</li> <li>• Board of Directors and Audit Committee</li> <li>• Management’s Philosophy and Operating Style</li> <li>• Organizational Structure</li> <li>• Assignment of Authority and Responsibility</li> <li>• Human Resource Policies and Procedures</li> </ul> | 3     | <p><b>LO4.1.1:</b> Learning the control environment in the view of the following:</p> <ul style="list-style-type: none"> <li>• Those being control environment, risk assessment, control activities, information and communication, and monitoring activities.</li> <li>• Management establishes with board oversight, structures, reporting lines and appropriate authorizes and responsibility in pursuit of the objectives.</li> <li>• The organization demonstrates a commitment to attract, develop and retain competent individuals in alignment with the objectives.</li> </ul> |
| (b)          | <p>Risk Assessment</p> <ul style="list-style-type: none"> <li>• Company-wide Objectives</li> <li>• Process-level Objectives</li> <li>• Risk Identification and Analysis</li> <li>• Managing Change</li> </ul>  | 3     | <p><b>LO4.2.1:</b> Explaining the Risk assessment, that it is the identification of hazards that could negatively impact an organization’s ability to conduct business. Learning and identify these inherent business risks and provide measures, processes and controls to reduce the impact of these risks to business operations.</p>   |
| (c)          | <p>Control Activities</p> <ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Security (Application and Network)</li> <li>• Application Change Management</li> <li>• Business Continuity/Backups</li> <li>• Outsourcing</li> </ul>   | 3     | <p><b>LO4.3.1:</b> Learning that Control activities steps are widely utilized framework containing best practices for both security and application controls. It consists of domains and processes. The basic structure indicates that IT processes satisfy business requirements, which is enabled by specific IT control activities. It also recommends best practices and methods of evaluation of an enterprise’s IT controls.</p>   |
| (d)          | <p>Information and Communication</p> <ul style="list-style-type: none"> <li>• Quality of Information</li> <li>• Effectiveness of Communication</li> </ul>  | 3     | <p><b>LO4.4.1:</b> Learning the Information and communications technology (ICT) skills, and the ability of an individual to converse with people through technology.</p>   |
| (e)          | <p>Monitoring</p> <ul style="list-style-type: none"> <li>• Ongoing Monitoring</li> <li>• Separate Evaluations</li> <li>• Reporting Deficiencies</li> </ul>   | 3     | <p><b>LO4.5.1:</b> Explaining the ongoing evaluations, separate evaluations and Reporting, including controls to affect the principles within each component, is present and functioning. Learning ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, varies in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations.</p>  |

| Syllabus Ref | Contents  | Level | Learning Outcome   |
|--------------|---|-------|--|
| <b>5</b>     | <b>Environment of Organization (PESTEL)</b>   |       |  |
| (a)          | Political Analysis  | 3     | <b>LO5.1.1:</b> Learning that the political factors and several aspects of government policy can affect business. Students must find how upcoming legislations can affect their activities.  |
| (b)          | Economic Analysis   | 3     | <b>LO5.2.1:</b> Understanding how Economic factors affect business is essential to making smart decisions and guiding your company to greater heights  |
| (c)          | Social Analysis   | 3     | <b>LO5.3.1:</b> Learning the factors that include – population growth, age distribution, health consciousness, career attitudes and others.  |
| (d)          | Technological Analysis  | 3     | <b>LO5.4.1:</b> Evaluating technological factors' relation with PESTLE analysis. They can be defined as factors which relate to the presence and development of technology, on either a local or global scale  |
| <b>6</b>     | <b>Globalization</b>  |       |  |
| (a)          | Global Environment Affecting International Trade and Finance <ul style="list-style-type: none"> <li>• Trade Policies</li> <li>• Exchange Rates, Foreign Currency Reserves and Inflation</li> <li>• Demand</li> <li>• Trade Balance as an Economic Indicator</li> </ul>  | 3     | <b>LO6.1.1:</b> Learning the factors that drives supply and demand, and thus prices, are global. An understanding of how international trade and foreign exchange rate fluctuations affect economies, companies, and investments is important. Also, understanding these concepts in the light of Microeconomics and Macroeconomics that how companies and individuals make decisions to allocate scarce resources, and economic growth and international trade.   |
| (b)          | <b>E-Commerce and Emerging Markets</b><br>In our view, there are a number of factors indicating that online retail spending across emerging markets is far from played out. <ul style="list-style-type: none"> <li>• Urbanization Coincides with Greater Propensity to Shop Online</li> <li>• FMCG and Food Delivery to Support Growth</li> <li>• Traditional Retailers Developing Online Capabilities</li> <li>• Pure-Play Online Companies Expanding Offline Offerings</li> <li>• Cross Border E-Commerce As an Additional Driver</li> <li>• Data Analytics Can Drive Online Revenues Further</li> <li>• Greater Adoption of Mobile Payments in Emerging Markets Drives Growth</li> </ul> |       | <b>LO6.2.1:</b> Understanding that E-commerce is the technology which is expected to become more popular in the future. While e-commerce is the maturing market, emerging economies are poised to become the next mega market as the adoption of internet rises gradually. Emerging markets are the hotbeds for e-commerce that comes with unique opportunities and challenges across the regions.<br><br><b>LO6.2.2:</b> In emerging markets, the e-commerce has been growing exponentially, and at a rate may soon surpass the developed countries in recent years. As, e-commerce achieves higher penetration rates in developing countries, and it will overcome obstacles to adopt the high-speed networks which are fast enough for Smartphone and shipping cost.<br><br><b>LO6.2.3:</b> The rapid adoption of electronic devices and subsequent access to the internet has allowed emerging market consumers to be a major global force across a range of online activities that includes all the aspects of consumer buying and preferences. |