

CA

PAKISTAN



The Institute of
Chartered Accountants
of Pakistan

PRC- SYLLABUS



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SYLLABUS FOR PREREQUISITE COMPETENCIES

Proficiency and testing levels are mentioned against each learning outcome within the syllabus and are explained below:

Proficiency levels

The proficiency level is the description of the pitch of the performance expected from the person taking action. The levels are as follows:

Level of Proficiency	Description
P1	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Defining, explaining, summarizing, and interpreting the underlying principles and theories of relevant areas of technical competence to complete tasks while working under appropriate supervision; • Performing assigned tasks by using the appropriate professional skills; • Recognizing the importance of professional values, ethics, and attitudes in performing assigned tasks; • Solving simple problems, and referring complex tasks or problems to supervisors or those with specialized expertise; and • Providing information and explaining ideas in a clear manner, using oral and written communications. <p>Learning outcomes at the foundation level relate to work environments that are characterized by low levels of ambiguity, complexity and uncertainty.</p>
P2	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Independently applying, comparing, and analysing underlying principles and theories from relevant areas of technical competence to complete work assignments and make decisions; • Combining technical competence and professional skills to complete work assignments; • Applying professional values, ethics, and attitudes to work assignments; and • Presenting information and explaining ideas in a clear manner, using oral and written communication, to accounting and non-accounting stakeholders. <p>Learning outcomes at the intermediate level relate to work environments that are characterized by moderate levels of ambiguity, complexity, and uncertainty.</p>
P3	<p>Typically, learning outcomes in a competence area focus on:</p> <ul style="list-style-type: none"> • Selecting and integrating principles and theories from different areas of technical competence to manage and lead projects and work assignments, and to make recommendations appropriate to stakeholder needs; • Integrating technical competence and professional skills to manage and lead projects and work assignments;

Level of Proficiency	Description
	<ul style="list-style-type: none">• Making judgments on appropriate courses of action drawing on professional values, ethics, and attitudes;• Assessing, researching, and resolving complex problems with limited supervision;• Anticipating, consulting appropriately, and developing solutions to complex problems and issues; and• Consistently presenting and explaining relevant information in a persuasive manner to a wide-range of stakeholders. <p>Learning outcomes at the advanced level relate to work environments that are characterized by high levels of ambiguity, complexity, and uncertainty.</p>

Testing Levels

Testing levels are the maximum marks assigned to a topic for examination purposes. The levels are as follows:

Testing Levels	Description
T1	The maximum limit per topic of this level is 8 marks
T2	The maximum limit per topic of this level is 20 marks
T3	The maximum limit per topic of this level is 25 marks

PRC-1: BUSINESS WRITING AND COMPREHENSION SKILLS

Competency
Draft simple business communications and information.

Syllabus Ref.	Grid	Hours	Weightage
A	Comprehension	15-20	20-30
B	Idea Generation and Arguments	15-20	20-30
C	Business Correspondence	30-35	40-60
	Total	60-75	100

Key Examinable Technical Competencies

Syllabus Ref.	Learning Outcome	Proficiency Level	Testing Level
A. Comprehension			
1	Apply skimming and scanning reading techniques.	P1	T1
2	Summarize a given text.	P2	T2
3	List down essential points briefly.	P1	T1
B. Idea Generation and Arguments			
1	Apply brainstorming and thinking techniques.	P1	T1
2	Identify facts, assumptions, and opinions.	P1	T2
3	Prepare argument for and against a subject matter.	P2	T2
C. Business Correspondence			
1	Apply specified vocabulary and phrases.	P1	T3
2	Draft business reports, letters, memo and email messages.	P2	T3

Key Examinable Professional Skills

1	Collect and summarize data and information from a variety of sources and perspectives
2	Apply critical thinking skills to generate ideas
3	Apply intellectual agility
4	Communicate clearly and concisely when reporting in formal and informal situations

Key Examinable Professional Values, Ethics and Attitude

1	Use critical thinking in determining appropriate course of action.
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Specific Examinable Knowledge Reference

1	Mind Maps, Fishbone Diagrams and Affinity Diagrams
2	Vocabulary and phrases specified by the Institute

PRC-2: QUANTITATIVE METHODS

Competency
Apply quantitative methods relevant to the managerial analysis.

Syllabus Ref.	Grid	Hours	Weightage
A	Basic Mathematics	12-15	10-20
B	Financial Mathematics	15-18	15-25
C	Data Analysis	18-24	20-30
D	Probability and Probability Distribution	10-15	15-20
E	Sampling and Decision making	15-18	20-25
	Total	70-90	100

Key Examinable Technical Competencies

Syllabus Ref.	Learning Outcomes	Proficiency Level	Testing Level
A. Basic Mathematics			
1	Solve two-variable simultaneous equations and quadratic equations.	P1	T1
2	Prepare graphs of linear equation.	P1	T1
3	Apply arithmetic and geometric progression in business problems to calculate monthly instalments, first instalment, total amount paid and total time required for settlement of a loan etc.	P1	T1
4	Formulate a system of linear programming for a business problem.	P1	T1
5	Identify constraints, feasible region, cost minimization or profit maximization functions, no feasible solution using linear programming.	P1	T1
6	Prepare a graphical solution of a linear programming problem.	P1	T1
B. Financial Mathematics			
1	Apply simple and compound interest rate on single or series of amounts to find out interest amount and future values.	P1	T1
2	Apply discount rate on single or series of amounts including perpetuity to find out present values.	P1	T1
3	Calculate the net present value (NPV) of future cash flows.	P1	T1
4	Calculate internal rate of return on a project.	P1	T1

Syllabus Ref.	Learning Outcomes	Proficiency Level	Testing Level
C. Data Analysis			
1	Classify different types of data.	P1	T1
2	Explain data collection through various methods.	P1	T1
3	Summarize and present data.	P1	T1
4	Calculate various measures of central tendency.	P1	T1
5	Identify the characteristics and measures of dispersion.	P1	T1
6	Compute the degree of variation or variability in a distribution.	P1	T1
7	Discuss the index number and its types.	P1	T1
8	Calculate index number and discuss the practical application of index no.	P1	T1
9	Construct deflated or inflated series using index numbers.	P1	T1
10	Explain scatter diagrams their construction, uses and limitations.	P1	T1
11	Explain the concept of regression lines and their uses and limitations.	P1	T1
12	Calculate a linear regression line (line of best fit) using least squares.	P1	T1
13	Calculate and discuss correlation coefficients, rank correlation coefficients and determination.	P1	T1
D. Probability and Probability Distribution			
1	Calculate the total number of possible outcomes and selections from a set of data using counting techniques.	P1	T1
2	Discuss and compute probability using different techniques.	P1	T1
3	Discuss and estimate the probability distribution using different techniques.	P1	T1
E. Sampling and Decision making			
1	Explain the term population, sample, sample distribution and sampling distribution.	P1	T1
2	Explain methods for selecting a sample.	P1	T1
3	Explain a sampling distribution of the sample means.	P1	T1
4	Calculate the mean and standard error of a sampling distribution of sample and proportion means.	P1	T1
5	Apply hypothesis test of proportions and difference between proportions.	P1	T1
6	Apply hypothesis test of population means based on small and large samples.	P1	T1

Syllabus Ref.	Learning Outcomes	Proficiency Level	Testing Level
7	Apply hypothesis tests of the difference between two population means.	P1	T1
8	Apply the Chi-square distribution to perform tests of goodness of fit and independence.	P1	T1

Key Examinable Professional Skills

1	Evaluate given information through integration and analysis.
2	Apply critical thinking skills to solve problems.
3	Apply intellectual agility.

Key Examinable Professional Values, Ethics and Attitude

1	Apply an inquiring mind when collecting and assessing data and information
2	Use critical thinking in determining appropriate course of action.

Specific Examinable Knowledge Reference

1	Array, Frequency distribution, Tally, Class boundaries
2	Bar and pie chart
3	Histograms, frequency polygons, Ogives, graphs, stem and leaf displays, Box and whisker plots
4	Mode, median, arithmetic, geometric and harmonic means
5	Standard deviation
6	Variance
7	Laspeyre, Paasche and Fisher index
8	Scatter diagrams
9	mn counting rule and factorials
10	Permutations and combination
11	Addition and multiplication law for probability
12	Conditional and complementary probabilities
13	Binomial, Hyper-Geometric, Poisson, Normal distribution
14	Normal approximation
15	Random, systematic, stratified, multi-stage, cluster and quota sampling

PRC-3: PRINCIPLES OF ECONOMICS

Competency
Discuss fundamental principles of economics relevant to the managerial analysis.

Syllabus Ref	Grid	Hours	Weightage
A	Economic Principles and Micro Economics	25-30	30-45
B	Macroeconomics – Basic Concepts	10-15	20-30
C	Economic Policies and Trends	25-30	30-45
	Total	60-75	100

Key Examinable Technical Competencies

Syllabus Ref	Contents	Proficiency Level	Testing Level
A	Economics Principles and Micro Economics		
1	Define basic economic concepts.	P1	T1
2	Discuss the production possibility frontier and its relevance to the concept of opportunity cost for different economic analysis.	P1	T1
3	Discuss features of planned, mixed, market economy and Islamic economic system.	P1	T1
4	Discuss law of demand.	P1	T1
5	Discuss law of supply.	P1	T1
6	Discuss market equilibrium and its dynamics.	P1	T1
7	Discuss elasticity of demand and supply.	P1	T1
8	Describe basic concepts of firm's costs and revenue.	P1	T1
9	Discuss short and long-run equilibrium of firms under perfect competition, imperfect competition, monopoly, monopolistic competition and oligopoly.	P1	T1
B	Macroeconomics – Basic Concepts		
1	Discuss measurement of national income, nominal and real gross domestic product, gross national product, net national product, personal income and disposable personal income per capita.	P1	T1
2	Explain the functions of consumption, saving and investment.	P1	T1
3	Explain multiplier and accelerator principle.	P1	T1

Syllabus Ref	Contents	Proficiency Level	Testing Level
4	Discuss the different phases of the business cycle and the indicators.	P1	T1
C	Economic Policy and Trends		
1	Discuss nature and objectives of taxation.	P1	T1
2	Discuss kinds and objectives of fiscal policy.	P1	T1
3	State key features of Pakistan's prevailing fiscal budget.	P1	T1
4	Discuss the concepts associated with money and banking.	P1	T1
5	Define the functions of a central bank and the role of the State Bank of Pakistan.	P1	T1
6	Define monetary policy and its objectives.	P1	T1
7	Discuss inflation, its causes, measurement and impact.	P1	T1
8	State unemployment and its types.	P1	T1
9	Discuss interest rate determination and its trends in Pakistan.	P1	T1
10	Discuss the balance of payment and trade and their trends in Pakistan.	P1	T1
11	Discuss exchange rate determination and its impact on the balance of payments of a country.	P1	T1

Key Examinable Professional Skills

1	Evaluate data and information from a variety of sources and perspective through integration and analysis.
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Key Examinable Professional Values, Ethics and Attitude

1	Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.
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Specific Examinable Knowledge Reference

1	Properties of Production possibility frontier
2	Demand and supply
3	Buffer Stock
4	Cobweb theory
5	Accounting and economic profit
6	Keynesian theory of consumption

7	Keynesian two-sector economy
8	Keynesian Aggregate Demand and Supply
9	Output gaps
10	Keynes Multiplier and Accelerator principles
11	Keynesian Liquidity preference Model
12	The Quantity theory of money (Irving Fisher)
13	Short-run and long-run Philips Curve
14	J-Curve (Currency devaluation and balance of payments)

PRC-4: INTRODUCTION TO ACCOUNTING

Competency
Account for financial transactions and prepare basic components of financial statements.

Syllabus Ref.	Grid	Hours	Weightage
A	Accounting and Book keeping	30-35	40-60
B	Financial Statements	20-25	25-35
C	Depreciation and Inventories	10-15	15-25
	Total	60-75	100

Key Examinable Technical Competencies

Syllabus Ref.	Learning Outcomes	Proficiency Level	Testing Level
A. Accounting and Book Keeping			
1	Describe accounting and book keeping.	P1	T1
2	Discuss elements of financial statements.	P1	T1
3	Account for financial transactions in books of prime entry, factory ledger and general ledger.	P1	T1
4	Compute and account for adjustments for bad debts and doubtful, accrued expenses and prepayment.	P1	T1
5	Prepare trial balance.	P1	T1
6	Prepare bank reconciliation statements and make corrections in books of accounts.	P1	T1
B. Financial Statements			
1	Prepare manufacturing account.	P1	T2
2	Prepare a statement of comprehensive income.	P1	T2
3	Prepare a statement of financial position	P1	T2
C. Depreciation and Inventories			
1	Calculate cost and net realizable value of inventory.	P1	T1
2	Compute depreciation.	P1	T1
3	Account for the given amount of depreciation.	P1	T1

Key Examinable Professional Skills

1	Evaluate data and information from a variety of sources and perspectives through research, integration, and analysis.
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Key Examinable Professional Values, Ethics and Attitude

1	Apply an inquiring mind when collecting and assessing data and information.
2	Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.

Specific Examinable Knowledge Reference

1	IAS 1 - Presentation of Financial Statements
2	IAS 2 – Inventories
3	IAS 16 - Property, plant and equipment

PRC-5 INTRODUCTION TO BUSINESS

Competency
Discuss fundamentals of business organizations, their operations and finance.

Syllabus Ref	Grid	Hours	Weightage
1	Business Organizations	18-21	25-35
2	Business Operations	24-30	35-50
3	Business Finance	12-15	15-25
4	Business Ethics	06-09	05-10
	Total	60-75	100

Key Examinable Technical Competencies

Syllabus Ref	Learning Outcomes	Proficiency Level	Testing Level
A. Business Organizations			
1	Discuss business and its long term vision and objectives.	P1	T1
2	Explain the concept of sole proprietorship, partnerships, private, public limited and public sector companies.	P1	T1
3	Describe key features of general laws that govern partnership and limited companies.	P1	T1
4	Explain businesses of exploration, power supply, manufacturing, trading, service rendering, public utility, infrastructure development and construction.	P1	T1
B. Business Operations			
1	Discuss the role of directors, management and shareholders in the governance of a limited company.	P1	T1
2	Explain functional, divisional, matrix and virtual organizational structure.	P1	T1
3	Prepare an operational structure of a manufacturing company.	P1	T1
4	Explain the interest of different stakeholders of a limited company.	P1	T1
5	Discuss the fundamentals of recruitment, development, retention of human resource.	P1	T1

Syllabus Ref	Learning Outcomes	Proficiency Level	Testing Level
6	Elaborate on the level, role and types of information systems in business organizations.	P1	T1
7	Discuss concepts of branding, marketing and selling.	P1	T1
C. Business Finance			
1	Identify various sources of financing available to a limited company along with their advantages and disadvantages.	P1	T1
2	Apply the concept of financial leverage on business scenarios.	P1	T1
D. Business Ethics			
1	Explain the nature of ethics for business decisions.	P1	T1
2	Discuss the importance of core values for a business organization.	P1	T1

Key Examinable Professional Skills

1	Evaluate data and information from a variety of sources and perspectives through research, integration, and analysis.
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Key Examinable Professional Values, Ethics and Attitude

1	Apply critical thinking when identifying and evaluating alternatives to determine an appropriate course of action.
2	Explain nature of Ethics

Specific Examinable Knowledge Reference

1	Companies Act 2017 Section 2 (49, 52, 54)
2	Partnership Act 1932 Section 4