

CPA PREPARATORY COURSES

# SYLLABUS FOR NON-CORE COURSES

## Table of Contents

INTRODUCTION.....	1
BUSINESS LAW .....	2
ECONOMICS .....	4
INTRODUCTORY FINANCIAL ACCOUNTING.....	7
INTRODUCTORY MANAGEMENT ACCOUNTING.....	10
STATISTICS .....	12

## Introduction

### Purpose

The purpose of this syllabus is to provide information about the non-core CPA preparatory courses. This document has been produced for current and potential students and those who advise them, and others in the professional, academic, and general community. The syllabus includes course descriptions, prerequisites, resources, objectives, and reading lists. Navigate to each non-core course syllabus using the table of contents.

Non-core CPA preparatory courses are designed to be self-study courses. As such, there are no prescribed schedules. Students decide which exam sitting they plan on writing the final exam in and work toward that date in a systematic way. The final examination is worth 100% of the final grade. An overall grade of 50% or higher is considered a passing grade.

## Business Law

### Course description

The purpose of this course is to furnish students with the necessary tools to avoid potential legal problems, to recognize those situations calling for legal expertise, and to communicate more effectively with legal counsel. To that end, students are introduced to the Canadian legal system; tort law and professional liability; the principles of contract law; the law governing specific kinds of commercial contracts, including sales, insurance, and employment; debtor and creditor relations; and forms of business organization — agency, sole proprietorship, partnership, and incorporation.

### Prerequisites

None

### Resources

Yates, Richard et al., *Business Law in Canada*, Thirteenth Edition

### Course objectives

Upon completion of this course, you will be expected to have gained basic knowledge in the following areas:

- The Canadian legal and court systems
- Law of contract
- Law of torts (particularly negligence, professional liability, and insurance)
- Fiduciary duty between the agency and partnership
- Governance structure of a corporation and processes
- Business relationship between an employment and employee
- Property law, including real property, personal property, intellectual property, and the protection of the environment
- Commercial transactions, including sale of goods, consumer protection, banking, secured transactions, creditors' rights, and international business law

## Required readings

### **Unit 1**

- Chapter 1 Managing Your Legal Affairs
- Chapter 2 Introduction to the Legal System
- Chapter 3 The Resolution of Disputes: The Courts and Alternatives to Litigation
- Chapter 4 Intentional Torts and Torts Impacting Business

### **Unit 2**

- Chapter 5 Negligence, Professional Liability, and Insurance
- Chapter 6 The Elements of a Contract: Consensus and Consideration
- Chapter 7 The Elements of a Contract: Capacity, Legality, and Intention
- Chapter 8 Factors Affecting the Contractual Relationship

### **Unit 3**

- Chapter 9 The End of the Contractual Relationship
- Chapter 10 Agency and Partnership
- Chapter 11 Corporations
- Chapter 12 Employment

### **Unit 4**

- Chapter 13 Intellectual Property
- Chapter 14 Real and Personal Property and Protection of the Environment
- Chapter 15 Priority of Creditors
- Chapter 16 Sales and Consumer Protection

## Economics

### Course description

Both microeconomics and macroeconomics play a role in business decisions and strategy formulation. Whether formulating strategy at the functional, business, or corporate level, professional accountants must have a basic understanding of economics and the impact it has on business.

This course introduces microeconomics and macroeconomics as the basis for making smart choices in life as consumers, businesspeople, investors, and informed citizens judging government policies.

### Prerequisites

None

### Resources

Cohen, Avi J., *Microeconomics for Life: Smart Choices for You*, Second Canadian edition

Cohen, Avi J., *Macroeconomics for Life: Smart Choices for All?*, Second Canadian edition

### Course objectives

Upon completion of this course, you will be expected to have gained basic knowledge in microeconomics and macroeconomics as follows.

Microeconomics focuses on a cost/benefit analysis of all decisions. Topics include gains from trade, how prices coordinate choices, the roles of competition and monopoly, efficiency/equity trade-offs, government versus market failures, environmental policies, and income/wealth distributions.

Macroeconomics focuses on the performance of market economies. Topics include GDP, economic growth, business cycles, unemployment, inflation, money and the Bank of Canada, exchange rates, government deficits, the national debt, globalization, and trade policy.

## Required readings

The required readings contain all of the readings for the microeconomics chapters and the macroeconomics chapters. To avoid confusion with microeconomics chapters, macroeconomics chapter numbers have a 0 in front — for example, Chapter 1 is in microeconomics and Chapter 01 is in macroeconomics.

### ***Unit 1 — Microeconomics***

- Chapter 1    What's in Economics for You? Scarcity, Opportunity Cost, Trade, and Models
- Chapter 2    Making Smart Choices: The Law of Demand
- Chapter 3    Show Me the Money: The Law of Supply
- Chapter 4    Coordinating Smart Choices: Demand and Supply
- Chapter 5    Just How Badly Do You Want It? Elasticity
- Chapter 6    What Gives When Prices Don't? Government Policy Choices

### ***Unit 2 — Microeconomics***

- Chapter 7    Finding the Bottom Line: Opportunity Costs, Economic Profits and Losses, and the Miracle of Markets
- Chapter 8    Pricing Power: Monopoly to Competition and In Between
- Chapter 9    Pricing for Profits: Marginal Revenue and Marginal Cost
- Chapter 10    When Markets Fail: Natural Monopoly, Gaming, Competition, and Government
- Chapter 11    Acid Rain on Others' Parade: Externalities, Carbon Taxes, Free Riders, and Public Goods
- Chapter 12    What Are You Worth? Inputs, Incomes, and Inequality

**Unit 3 — Macroeconomics**

- Chapter 05 Are Your Smart Choices Smart for All? Macroeconomics and Microeconomics
- Chapter 06 Up Around the Circular Flow: GDP, Economic Growth, and Business Cycles
- Chapter 07 Costs of (Not) Working and Living: Unemployment and Inflation
- Chapter 08 Skating to Where the Puck is Going: Aggregate Supply and Aggregate Demand

**Unit 4 — Macroeconomics**

- Chapter 09 Money is for Lunatics: Demanders and Suppliers of Money
- Chapter 010 Trading Dollars for Dollars? Exchange Rates and Payments with the Rest of the World
- Chapter 011 Steering Blindly? Monetary Policy and the Bank of Canada
- Chapter 012 Spending Other's Money: Fiscal Policy, Deficits, and National Debt
- Chapter 013 Are Sweatshops All Bad? Globalization and Trade Policy

Note: Chapters 01 to 04 of Macroeconomics are not covered in this course.



# Introductory Financial Accounting

## Course description

Introductory Financial Accounting is the first financial accounting course of the CPA preparatory courses. This course is an integrated introduction to accounting principles and practices. It is designed to help you begin to understand accounting information and help you gain an appreciation for its uses and limitations.

## Prerequisites

None

## Resources

CPA Canada Learning Library Introductory Financial Accounting volume

## Course objectives

Upon completion of this course, you will be expected to be able to:

- Describe the basic principles of accounting, distinguishing between financial and managerial accounting, and the common types of business organizations in Canada.
- Identify the main functions of accounting within an organization, and explore the range of CPA career paths related to these functions.
- Apply fundamental concepts in the recognition and measurement of financial elements, and demonstrate an understanding of the underlying assumptions and constraints.
- Determine the ethical standards required in financial reporting, explain the impact of biases, and utilize The CPA Way to evaluate and resolve basic ethical dilemmas.
- Apply the steps of the accounting cycle to record financial transactions, culminating in the preparation of a basic set of financial statements.
- Analyze and manage key elements of working capital, including cash, receivables, and inventory. Demonstrate an understanding of internal controls by describing their importance in safeguarding assets and ensuring the integrity of financial information.
- Prepare a bank reconciliation and the journal entries required from the bank reconciliation process.
- Analyze a basic set of financial statements using key ratios, and interpret the results.
- Describe the importance, elements, and objectives of accounting information systems in business.

## Required readings

### **Unit 1**

- Chapter 1 Accounting Today
- Chapter 2 Accounting Principles, Assumptions, and Concepts (including the appendix)
- Chapter 3 Ethics and Financial Reporting
- Chapter 4 The Accounting Equation
- Chapter 5 The Accounting Cycle

### **Unit 2**

- Chapter 6 Financial Statements — Introduction
- Chapter 7 Financial Statements — Balance Sheet
- Chapter 8 Financial Statements — Income Statement
- Chapter 9 Financial Statements — Shareholders' Equity
- Chapter 10 Cash and Cash Equivalents
- Chapter 11 Internal Controls and Cash

### **Unit 3**

- Chapter 12 Accounts Receivables
- Chapter 13 Notes Receivable
- Chapter 14 Inventory Accounting Systems
- Chapter 15 Inventory
- Chapter 16 Understanding Investments

**Unit 4**

Chapter 17 Property, Plant, and Equipment (excluding the appendix)

Chapter 18 Liabilities (including the appendix)

Chapter 19 Current Income Taxes

Chapter 20 Information Technology in Accounting — Overview

Chapter 21 Financial Statement Analysis (excluding the appendix)

# Introductory Management Accounting

## Course description

Introductory Management Accounting examines how organizations use accounting information to plan, monitor, and control. Managers in all functional areas deal with the management accounting system of the organization they work for. The purpose of this course is to ensure that you have a basic understanding of how such systems operate, the language they use, and their limitations.

## Prerequisites

None

## Co-requisites

Introductory Financial Accounting

## Resources

CPA Canada Learning Library Management Accounting volume

## Course objectives

Upon completion of this course, you will be expected to be able to do the following:

- Define management accounting and describe its critical role in organizational decision-making, governance, and structure.
- Differentiate between management and financial accounting and identify current trends and career paths in management accounting.
- Discuss the importance of ethics and professional codes of conduct in management accounting, utilizing the CPA Way to assess and advise on ethical issues.
- Understand and apply various cost concepts. Differentiate between direct and indirect costs and prepare cost schedules for manufacturing businesses.
- Define and implement job costing systems in manufacturing and service businesses, understanding the allocation of overhead and cost drivers.
- Describe master budgeting techniques, including the development of master budgets, and communicate the significance of budgeting in an organizational context.
- Use cost-volume-profit analysis to inform business decisions, including the calculation of break-even points and target profits, and applying sensitivity analysis.
- Develop and apply performance measurement systems, understand the role of management accountants in performance planning, and measure both individual and organization-wide performance.

## Required readings

### ***Unit 1***

- Chapter 1 The History of Management Accounting
- Chapter 2 Management Accounting Today
- Chapter 3 Ethics and Management Accounting
- Chapter 4 Building Blocks of Management Accounting

### ***Unit 2***

- Chapter 5 Cost Behaviour and Job Costing

### ***Unit 3***

- Chapter 9 Cost-Volume-Profit Analysis
- Chapter 19 Master and Cash Budgets

### ***Unit 4***

- Chapter 22 Performance Measures

# Statistics

## Course description

The purpose of this course is to give you an understanding of the role of statistics in business and commerce. It will become clear how pervasive the use of statistics has become and how essential the basic concepts are to modern business practice. The statistics learned in this course will provide the knowledge necessary for you to apply the basic techniques in a wide variety of circumstances and, perhaps more importantly, will enable you to assess the legitimacy and significance of the many and varied reports that you will come across during your career.

The course will enable you to understand and analyze the future impact of decisions throughout an organization. It will give you the necessary knowledge, tools, and skills to analyze problems logically, carry out mathematical operations, and investigate issues scientifically.

## Prerequisites

None

## Resources

McClave, Benson, Sincich, *Statistics for Business and Economics*, Fourteenth Edition

## Course objectives

Upon completion of this course, you will be expected to have gained basic knowledge in the following areas:

- The concept of statistical data
- Using probabilities functions to solve problems
- Sampling distribution
- Statistical inferences based on a single sample and two samples
- Data variance analysis and forecasting for decision-making
- Linear regression analysis and model building

## Required readings

### **Unit 1**

Chapter 1 Statistics, Data, and Statistical Thinking

Chapter 2 Methods for Describing Sets of Data

Chapter 3 Probability

Chapter 4 Random Variables and Probability Distributions

**Unit 2**

- Chapter 5 Sampling Distributions
- Chapter 6 Inferences Based on a Single Sample: Estimation with Confidence Intervals
- Chapter 7 Inferences Based on a Single Sample: Tests of Hypotheses
- Chapter 8 Inferences Based on Two Samples: Confidence Intervals and Tests of Hypotheses

**Unit 3**

- Chapter 9 Design of Experiments and Analysis of Variance
- Chapter 10 Categorical Data Analysis
- Chapter 11 Simple Linear Regression

**Unit 4**

- Chapter 12 Multiple Regression and Model Building
- Chapter 13 Methods for Quality Improvement: Statistical Process Control
- Chapter 14 Time Series: Descriptive Analyses, Models, and Forecasting (section 14.1 to 14.6)

Note: You are responsible only for Chapters 1 to 14; Chapter 15 is not required for this course.

In the textbook, some of the sections are marked “Optional.” This means optional from the point of view of the textbook authors, which means that they suggest these sections are not needed as prerequisites for later chapters. However, these *are* required readings and may form part of the quiz or final exam material.

Be sure to do the practice exercises and problems *without looking at the answers*. You will not have answers to look at during the quizzes and the final exam! It is also recommended to avoid questions that use Minitab, Stata, StatCrunch, or Applet exercises. However, it will be helpful to do some select exercises in Excel.