

Student and Tutor Guidance Notes

Guide 15

International Financial Reporting Standards (including Accounting Standards) and Interpretations in relation to the CIMA Chartered Management Accounting Qualification Syllabus (2005)

This Guide is relevant to Paper P7 Financial Accounting and Tax Principles and P8 Financial Analysis

The following table indicates the level of knowledge and application required by students for International Financial Reporting Standards (IFRS), (including accounting standards) and interpretations in the relevant CIMA examination papers. Expectations are that students will need to achieve different levels of knowledge and competence of IFRS at each separate stage of the examinations. The three levels are defined as:

Level 1: An overview of the standard and an awareness of the concepts relevant to the specific topic and related areas.

Level 2: A knowledge of the concepts and principles and the ability to apply these to solve problems within a structured framework.

Level 3: A thorough knowledge of concepts and principles and the ability to apply these in solving problems that require professional judgement, often within complex situations.

Students need to be aware that some reporting /accounting standards are dealt with only in Paper P7 - Financial Accounting and Tax Principles. However they can be addressed again in Paper P8 - Financial Analysis, as this is the more advanced paper of the two.

The assumption is that knowledge is accumulated throughout the study programme for the qualification and, in consequence, the Strategic level subjects are therefore able to draw upon all of the material dealt with in earlier Certificate and Managerial level subjects.

This guide is therefore intended to indicate the level of knowledge and understanding that a typical CIMA student will have acquired when exiting the Managerial level.

Summary of Financial Reporting Standards – knowledge and understanding		Subject	Subject	Subject	
International Financial Reporting Standards		Effective Date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
Framework for the Preparation and Presentation of Financial Statements		Adopted by the IASB in April 2001	1	2	2
IFRS 1	First-time Adoption of International Financial Reporting Standards	First IFRS financial statements for a period beginning on or after 1 January 2004.	–	–	1
IFRS 2	Share-based Payment	Annual periods beginning on or after 1 January 2005	–	–	2
IFRS 3	Business Combinations	Business combinations after 31 March 2004	–	–	3
IFRS 4	Insurance Contracts (with amendments)	Annual periods beginning on or after 1 January 2005	–	–	–
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Annual periods beginning on or after 1 January 2005	–	2	2
IFRS 6	Exploration for and Evaluation of Mineral Assets	Annual periods beginning on or after 1 January 2006	–	–	–
IFRS 7	Financial Instruments: Disclosures	Annual periods beginning on or after 1 January 2007	–	–	3

	International Accounting Standards	Effective Date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
IAS 1	Presentation of Financial Statements	Annual periods beginning on or after 1 January 2005	1	2	2
IAS 2	Inventories	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 7	Cash Flow Statements	Annual periods beginning on or after 1 January 1994	1	2	3
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 10	Events after the Balance Sheet Date	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 11	Construction Contracts	Annual periods beginning on or after 1 January 1995	–	2	2
IAS 12	Income Taxes	Annual periods beginning on or after 1 January 1998	–	2	2
IAS 14	Segmental Reporting	Annual periods beginning on or after 1 July 1998	–	–	3
IAS 16	Property, Plant and Equipment	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 17	Leases	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 18	Revenue	Annual periods beginning on or after 1 January 1995	–	2	2

	International Accounting Standards	Effective Date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
IAS 19	Employee Benefits (with amendments)	Annual periods beginning on or after 1 January 2006	–	–	3
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Annual periods beginning on or after 1 January 1984	–	–	–
IAS 21	The Effects of Changes in Foreign Exchange Rates	Annual periods beginning on or after 1 January 2005	–	–	3
IAS 23	Borrowing Costs	Annual periods beginning on or after 1 January 1995	–	2	2
IAS 24	Related Party Disclosures	Annual periods beginning on or after 1 January 2005	–	2	2
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Annual periods beginning on or after 1 January 1988	–	–	–
IAS 27	Consolidated and Separate Financial Statements	Annual periods beginning on or after 1 January 2005	–	–	3
IAS 28	Investments in Associates	Annual periods beginning on or after 1 January 2005	–	–	3
IAS 29	Financial Reporting in Hyperinflationary Economies	Annual periods beginning on or after 1 January 1990	–	–	2
IAS 31	Interests in Joint Ventures	Annual periods beginning on or after 1 January 2005	–	–	3
IAS 32	Financial Instruments: Disclosure and Presentation	Annual periods beginning on or after 1 January 2005	–	1	3

	International Accounting Standards	Effective Date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
IAS 33	Earnings per Share	Annual periods beginning on or after 1 January 2005	–	–	3
IAS 34	Interim Financial Reporting	Annual periods beginning on or after 1 January 1999	–	–	–
IAS 36	Impairment of Assets	Business combinations after 31 March 2004	–	2	2
IAS 37	Provisions, Contingent liabilities and Contingent Assets	Annual periods beginning on or after 1 July 1999	–	2	2
IAS 38	Intangible Assets	Business combinations after 31 March 2004	–	2	2
IAS 39	Financial Instruments: Recognition and Measurement (with amendments)	Annual periods beginning on or after 1 January 2005.	–	1	2
IAS 40	Investment Property	Annual periods beginning on or after 1 January 2005.	–	–	–
IAS 41	Agriculture	Annual periods beginning on or after 1 January 2003.	–	–	–

	IASB Interpretations	Effective date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Annual periods beginning on or after 1 st September 2004	–	–	–
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	Annual periods beginning on or after 1 st January 2005	–	–	–
IFRIC 4	Determining whether an Arrangement contains a Lease	Annual periods beginning on or after 1 st January 2005	–	–	–
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Annual periods beginning on or after 1 st January 2006	–	–	–
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Annual periods beginning on or after 1 st December 2005	–	–	–
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	Annual periods beginning on or after 1 st March 2006	–	–	–
IFRIC 8	Scope of IFRS 2	Annual periods beginning on or after 1 st March 2006	–	–	–
IFRIC 9	Reassessment of Embedded Derivatives	Annual periods beginning on or after 1 st June 2006	–	–	–

	IASB Interpretations	Effective date	Paper C02 Fund of Financial Accounting	Paper P7 Financial Accounting & Tax Principles	Paper P8 Financial Analysis
SIC 7	Introduction of the Euro	1 June 1998	–	–	–
SIC 10	Government Assistance – No Specific Relation to Operating Activities	1 August 1998	–	–	–
SIC 12	Consolidation – Special Purpose Entities	Annual periods beginning on or after 1 st July 1999	–	–	1
SIC 13	Jointly Controlled Entities – Non-Monetary Contributions by Venturers	Annual periods beginning on or after 1 st January 1999	–	–	–
SIC 15	Operating Leases - Incentives	Lease terms beginning on or after 1 st January 1999	–	1	1
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	15 th July 2000	–	–	–
SIC 25	Income Taxes - Changes in Tax Status of an Entity or its Shareholders	15 th July 2000	–	–	–
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	31st December 2001	–	1	1
SIC 29	Disclosure – Service Concession Arrangements	31st December 2001	–	–	–
SIC 31	Revenue – Barter Transactions Involving Advertising Services	31 December 2001	–	–	–
SIC 32	Intangible Assets – Web Site Costs	25 th March 2002	–	1	1