

CONTENT SPECIFICATION OVERVIEW

The percentages below show the relative weight range given to each topic in each part. The level designations indicate the depth and breadth of topic coverage in each part. A detailed content specification outline can be downloaded from our website in the certification section.

Part 1 **Business Analysis**

A. Business Economics

(25%) (Level B)

Factors affecting the individual firm including demand, supply, and elasticity; consumption of goods; production factors and their cost; market structures and pricing; issues in macroeconomics such as inflation, employment, and economic growth; GDP; the nature of business cycles; fiscal and monetary policies.

B. Global Business

(20%) (Level B)

Comparative advantages of trade; free trade and protectionism; barriers to international trade; nature and theory of foreign exchange; international capital investments; financing international trade; legal and ethical issues.

C. Internal Controls

(15%) (Level A)

Internal control environment, procedures, and standards; responsibility and authority for internal auditing; types of audits; assessing the adequacy of the accounting information system.

D. Quantitative Methods

(15%) (Level B)

Quantitative methods and techniques including regression analysis, learning curves, linear programming, sensitivity analysis, network analysis, probability concepts, expected values, decision trees, simulation, and other appropriate aids to decision making.

E. Financial Statement Analysis

(25%) (Level B)

Development of accounting standards; financial statement assurance; interpretation and analysis of financial statements including ratio analysis and comparative analysis; limitations of ratio analysis; market value vs. book value; international issues.

Part 2
Management Accounting and Reporting

A. Budget Preparation

(15%) (Level C)

Planning process, purposes of planning and budgeting; budgeting concepts; annual profit plans and supporting schedules; types of budgets, including activity-based budgeting, kaizen budgeting, project budgeting, and flexible budgeting.

B. Cost Management

(25%) (Level C)

Cost concepts, flows and terminology; alternative cost objectives; cost measurement concepts; cost accumulation systems including job order costing, process costing, and activity-based costing; overhead cost allocation.

C. Information Management

(15%)(Level A)

Nature of management and accounting information systems; systems development and design; techniques and terminology applicable to the development of computer-based accounting information systems; networks and client/server systems; electronic commerce; ERP systems.

D. Performance Measurement

(20%) (Level C)

Factors to be analyzed for control and performance evaluation including revenues, costs, profits, and investment in assets; variance analysis based on flexible budgets and standard costs; responsibility accounting for revenue, cost, contribution and profit centers; balanced scorecard; quality considerations.

E. External Financial Reporting

(25%) (Level B)

Principal financial statements and their purposes; limitations of financial statement information; asset and liability recognition and measurement; equity recognition and measurement; revenue, expenses, extraordinary items, and earnings per share; the SEC and its reporting requirements; the annual report.

Part 3
Strategic Management

A. Strategic Planning

(15%) (Level B)

Strategic and tactical planning; manufacturing paradigms such as JIT, MRP, and theory of constraints; value chain analysis; benchmarking; ABM and continuous improvement.

B. Strategic Marketing

(15%) (Level A)

Strategic role of marketing; market segmentation; managing products and services; pricing strategies; promotional mix and distribution strategy.

C. Corporate Finance

(25%) (Level B)

Types of risk; measures of risk; portfolio management; options and futures; capital instruments for long-term financing; dividend policy; factors influencing the optimum capital structure; cost of capital; and managing and financing working capital.

D. Decision Analysis

(25%) (Level C)

Logical steps to reach a decision; relevant data concepts; cost-volume-profit analysis; marginal analysis; cost-based pricing; income tax implications for operational decision analysis.

E. Investment Decision Analysis

(20%) (Level C)

Cash flow estimates; time value of money; discounted cash flow concepts; net present value; internal rate of return; non-discounting analysis techniques; income tax implications for investment decision analysis; ranking investment projects; risk analysis; real options.

Part 4
Business Applications
(Level C)

All topics from parts 1, 2, and 3, plus organization management, organization communication, behavioral issues, and ethical considerations.

A detailed content spec is available from the ICMA or it can be downloaded from our website www.imanet.org.