

IKAF CEA-P3 Business Analysis

Syllabus and Study Guide

*CEA Certified External Auditor Qualification
(Based on ACCA Certifications)*

This syllabus and study guide is designed to assist in teaching and learning, also is intended to provide detailed information on the qualification, module and study guide.

Qualification Structure

It explains the content of Certified External Auditor Qualification level, which also includes the Business Analysis Module. Explains the connection of this module to other levels and modules of qualification; modules included at the specified level as well as membership criteria; as well as the characteristics of lectures that are held during the certification period. Modules and Qualifications are also presented through diagrams.

Module

It explains briefly the reasoning of the module's importance, the general and detailed objectives of the module and, also shows in the widest sense the skills that will be developed during the study of the module. The relation of the module to the other modules is presented through a diagram representing the links between them; in order to be as clear as possible for the reader. Also, topics that belong to the module are described; also, how the module's topics and subthemes are planned. Moreover, the form of examination and evaluation is explained in detail, what the exam will consider and why. In the end, the module's content is attached.

Syllabus Structure

It explains the syllabus content of the module Business Analysis, part of the Certified External Auditor Qualification Level. This module contains the main reasoning, aim, and capabilities expected to get learned during the course of the study. In addition, the syllabus includes the topics of the modules, the structure of the examination after the successful completion of the module as well as reading and scheduling the time.

Study Guide

This is the main document that students, education and content providers should use as the basis of their studies, instruction and materials. Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations

QUALIFICATION STRUCTURE

*CEA Certified External Auditor Qualification
(Based on ACCA Certifications)*

The Certified External Auditors must first get qualified as a Certified Accountant in IKAF. Not all Certified Accountants are required or need to qualify as Certified Auditors, unless they choose a career in providing legal audits and related services. The Kosovo Financial Reporting Council (KKRF) licenses Auditors in Kosovo and the role of IKAF is to ensure that they are certified in accordance with International Education Standards, the EU's 8th Directive and best international practices. In recent years, education standards and professional practice requirements for Legal Auditors have been updated, so the new IKAF qualification scheme aims to ensure that Kosovo auditors are qualified with the highest international standards.

To get Certified Auditor training you must first be a IKAF member and have completed the Qualification for a Certified Accountant. Membership at this level is open to all professionals who work in accounting and auditing and who have completed the level for a Certified Accountant.

Certified Auditor Candidates should demonstrate knowledge of Business Analysis.

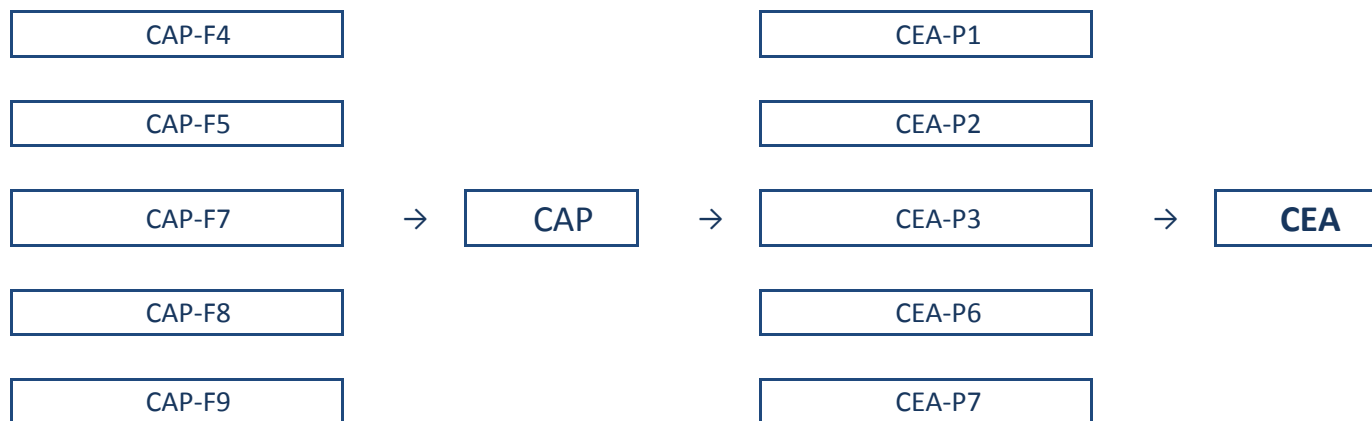


Diagram.1: Certified External Auditor Qualification relations with other modules and certified qualifications

Modules

CEA Certified External Auditor Qualification Level consists of five modules and is mandatory to pass all five in order to obtain the title:



Diagram.2: CEA Certified External Auditor Qualification Level Modules

Qualification and Membership Criteria: Certified External Auditor

- University Degree;
- Completion of Certified Accountant Level
- Proof for at least three (3) years of verified work experience in accounting - which can be acquired during or after the training;
- Have attended and passed five (5) certification exams for this purpose (Exam is passed if 50% of test points are reached) ;
- A person who has been certified in this qualification by IKAF and continues to have a regular membership status of the IKAF has the right to use the title "Certified Accountant" by fulfilling all of the above criteria;
- Regular members of the IKAF to use the title "Certified Accountant" are required to attend Continuing Professional Development (CPD) as defined in the IKAF Regulation.

Training Features:

- A comprehensive review of modules and during the training, participants will be provided with case studies, exercises similar to those given in the ACCA exams, and mock exam.
- Trainers are holding professional qualifications, and well experience in their field
- ACCA materials shall be used in the training
- Upon completion of this course, participants will be able to take the exams of modules at IKAF center.

SYLLABUS STRUCTURE

Rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Relational diagram linking modules

This diagram shows direct and indirect links between this exam and other exams preceding or following it. It indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall Aim

This explains briefly the overall objective of the syllabus and indicates in the broadest sense the capabilities to be developed within the exam.

Main Capabilities

The aim of the syllabus is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Topics

Certain topics that module contains and that will be treated during tuitions.

Examining Structure

This section briefly explains the structure of the examination and how it is assessed.

Annex: Detailed Syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

MODULE

This syllabus and study guide is designed to help with study planning and to provide detailed information on what could be assessed in any examination session.

Rationale

The syllabus for Paper P3, Business Analysis, is primarily concerned with two issues. The first is the external forces (the behavior of customers, the initiatives of competitors, the emergence of new laws and regulations) that shape the environment of an organisation. The second is the internal ambitions and concerns (desire for growth, the design of processes, the quality of products and services, the competences of employees, the financial resources) that exist within an organisation. This syllabus looks at both of these perspectives, from assessing strategic position and choice to identifying and formulating strategic action and its formulation. It identifies opportunities for beneficial change that involve people, finance and information technology. It examines how these opportunities may be implemented through the appropriate management of programs and projects.



Diagram.1: Module

The syllabus begins with the assessment of strategic position in the present and in the future using relevant forecasting techniques and is primarily concerned with the impact of the external environment on the business, its internal capabilities and expectations and how the organisation positions itself under these constraints. It examines how factors such as culture, leadership and stakeholder expectations shape organizational purpose. Strategic choice is concerned with decisions which have to be made about an organization's future and the way in which it can respond to the influences and pressures identified in the assessment of its current and future strategic position.

Strategic action concerns the implementation of strategic choices and the transformation of these choices into organizational action. Such action takes place in day-to-day processes and organizational relationships and these processes and relationships need to be managed in line with the intended

strategy, involving the effective coordination of information technology, people, finance and other business resources.

Companies that undertake successful business process redesign claim significant organizational improvements. This simply reflects the fact that many existing processes are less efficient than they could be and that new technology makes it possible to design more efficient processes. Strategic planning and strategy implementation has to be subject to financial benchmarks. Financial analysis explicitly recognizes this, reminding candidates of the importance of focusing on the key management accounting techniques that help to determine strategic action and the financial ratios and measures that may be used to assess the viability of a strategy and to monitor and measure its success.

Throughout, the syllabus recognizes that successful strategic planning and implementation requires the effective recruitment, leadership, organisation and training and development of people.

Aim

To apply relevant knowledge, skills and exercise professional judgment in assessing strategic position, determining strategic choice and implementing strategic action through beneficial business process and structural change; coordinating knowledge systems and information technology and by effectively managing projects and people within financial and other resource constraints.

Main capabilities

- Assess the strategic position of an organization
- Evaluate the strategic choices available to an organization
- Discuss how an organization might go about its strategic implementation
- Evaluate and redesign business processes and structures to implement and support the organization's strategy taking account of customer and other major stakeholder requirements
- Integrate appropriate information technology solutions to support the organization's strategy
- Advise on the principles of project management to enable the implementation of aspects of the organization's strategy with the twin objectives of managing risk and ensuring benefits realization
- Analyze and evaluate the effectiveness of a company's strategy and the financial consequences of implementing strategic decisions
- Assess the role of leadership and people management in formulating and implementing business strategy

Topics

Major topics of Business Analysis Module that will be covered during the training:



Diagram.2: Topics of Business Analysis Module that will be covered during the training

Examination Structure

The syllabus is assessed by a three-hour examination available in paper-based format. * All questions are compulsory. Some questions will adopt a scenario/case study approach. Candidates are provided with a formulae sheet.

Reading and Time Planning

For paper-based exams 15 minutes are added to the three hours to reflect the manual effort required. The total exam time is therefore three hours and 15 minutes. Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

The pass mark for all IKAF Qualification examinations is 50%.

Annex: Detailed Syllabus

DETAILED SYLLABUS

A Strategic position

1. The need for and purpose of, strategic and business analysis
2. Environmental issues affecting the strategic position of an organisation
3. Competitive forces affecting an organisation
4. Marketing and the value of goods and services
5. The internal resources, capabilities and competences of an organisation
6. The expectations of stakeholders and the influence of ethics and culture

B Strategic choices

1. The influence of corporate strategy on an organisation
2. Alternative approaches to achieving competitive advantage
3. Alternative directions and methods of development

C Strategic action

1. Organising and enabling success
2. Managing strategic change
3. Understanding strategy development

D Business process change

1. The roles of process and process change initiatives
2. Improving the processes of the organisation
3. Software solutions

E Information technology

1. Principles of e-business
2. E-business application: upstream supply chain management
3. E-business application: downstream supply chain management
4. E-business application: customer relationship management

F Project management

1. The nature of projects
2. Building a business case
3. Managing and leading projects
4. Planning, monitoring and controlling projects
5. Concluding a project

G Financial Analysis

1. The link between strategy and finance
2. Finance decisions to formulate and support business strategy
3. The role of cost and management accounting in strategic planning and implementation
4. Financial implications of making strategic choices and of implementing strategic actions

H People

1. Strategy and people: leadership
2. Strategy and people: job design
3. Strategy and people: staff development

Study Guide

A STRATEGIC POSITION

1. The need for, and purpose of, strategic and business analysis

- a) Recognise the fundamental nature and vocabulary of strategy and strategic decisions.
- b) Discuss how strategy may be formulated at different levels (corporate, business level, operational) of an organisation.
- c) Explore the Johnson, Scholes and Whittington model for defining elements of strategic management – the strategic position, strategic choices and strategy into action.
- d) Analyse how strategic management is affected by different organisational contexts.
- e) Compare three different strategy lenses (Johnson, Scholes and Whittington) for viewing and understanding strategy and strategic management.
- f) Explore the scope of business analysis and its relationship to strategy and strategic management in the context of the relational diagram of this syllabus.

2. Environmental issues affecting the strategic position of, and future outlook for, an organisation

- a) Assess the macro-environment of an organisation using PESTEL.
- b) Highlight the external key drivers of change likely to affect the structure of a sector or market.
- c) Explore, using Porter's Diamond, the influence of national competitiveness on the strategic position of an organisation.

- d) Prepare scenarios reflecting different assumptions about the future environment of an organisation.
- e) Evaluate methods of business forecasting used when quantitatively assessing the likely outcome of different business strategies.

- 4. Competitive forces affecting an organisation
 - a) Discuss the significance of industry, sector and convergence.

- b) Evaluate the sources of competition in an industry or sector using Porter's five forces framework.

- c) Assess the contribution of the lifecycle model, the cycle of competition and associated costing implications to understanding competitive behaviour.
 - 1.

- d) Analyse the influence of strategic groups and market segmentation.

- e) Determine the opportunities and threats posed by the environment of an organisation.

4. Marketing and the value of goods and services

- a) Analyse customers and markets
- b) Establish appropriate critical success factors (CSF) and key performance indicators (KPI) for products and services
 - 2.
- 3. c) Explore the role of the value chain in creating and sustaining competitive advantage.
- 4. d) Advise on the role and influence of value networks.
- f) Assess different approaches to benchmarking an organisation's performance.

5. The internal resources, capabilities and competences of an organisation

- a) Discriminate between strategic capability, threshold resources, threshold competences, unique resources and core competences.
- b) Discuss from a strategic perspective, the continuing need for effective cost management and control systems within organisations.
- c) Discuss the capabilities required to sustain competitive advantage.
- d) Explain the impact of new product, process, and service developments and innovation in supporting business strategy.
- e) Discuss the contribution of organisational knowledge to the strategic capability of an organisation.
- f) Determine the strengths and weaknesses of an organisation and formulate an appropriate SWOT analysis.

6. The expectations of stakeholders and the influence of ethics and culture

- a) Advise on the implications of corporate governance on organisational purpose and strategy.
- b) Evaluate, through stakeholder mapping, the relative influence of stakeholders on organisational purpose and strategy.
- c) Assess ethical influences on organisational purpose and strategy.
- d) Explore the scope of corporate social responsibility.
- e) Assess the impact of culture on organisational purpose and strategy.
- f) Prepare and evaluate a cultural web of an organisation.
- g) Advise on how organisations can communicate their core values and mission.

- h) Explain the role of integrated reporting in communicating strategy and strategic performance.

B STRATEGIC CHOICES

1. The influence of corporate strategy on an organisation

- a) Explore the relationship between a corporate parent and its business units.
- b) Assess the opportunities and potential problems of pursuing different corporate strategies of product/market diversification from a national, international and global perspective.
- c) Assess the opportunities and potential problems of pursuing a corporate strategy of international diversity, international scale operations and globalisation.
- d) Discuss a range of ways that the corporate parent can create and destroy organisational value.
- e) Explain three corporate rationales for adding value – portfolio managers, synergy managers and parental developers.
- f) Explain and apply the following portfolio models (the BCG growth/share matrix, public sector matrix, the parenting matrix or Ashridge Portfolio display) to assist corporate parents in managing their business portfolios.

2. Alternative approaches to achieving competitive advantage

- a) Evaluate, through the strategy clock, generic strategy options available to an organisation.
- b) Advise on how price-based strategies, differentiation and lock-in can help an organisation sustain its competitive advantage.

- c) Assess opportunities for improving competitiveness through collaboration.
- 3. Alternative directions and methods of development**
- d) Determine generic development directions (employing an adapted Ansoff matrix and a TOWS matrix) available to an organisation.
 - e) Assess how internal development, mergers, acquisitions, strategic alliances and franchising can be used as different methods of pursuing a chosen strategic direction.
 - f) Establish success criteria to assist in the choice of a strategic direction and method (strategic options).
 - g) Assess the suitability of different strategic options to an organisation.
 - h) Assess the feasibility of different strategic options to an organisation.
 - i) Establish the acceptability of strategic options to an organisation through analysing risk and return on investment.

C STRATEGIC ACTION

1. Organising and enabling success

- a) Advise on how the organisation can be structured to deliver a selected strategy.
- b) Explore generic processes that take place within the structure, with particular emphasis on the planning process.
- c) Discuss how internal relationships can be organised to deliver a selected strategy.
- d) Discuss how organisational structure and external relationships (boundary-less organisations; hollow, modular and virtual) and strategic alliances (joint ventures, networks, franchising, licensing) and the supporting concepts of outsourcing,

offshoring and shared services, can be used to deliver a selected strategy.

- e) Discuss how big data can be used to inform and implement business strategy.
- f) Explore (through Mintzberg's organisational configurations) the design of structure, processes and relationships.

2. Managing strategic change

- a) Explore different types of strategic change and their implications.
- b) Determine and diagnose the organisational context of change using Balogun and Hope Hailey's contextual features model and the cultural web.
- c) Establish potential blockages and levers of change.
- d) Advise on the style of leadership appropriate to manage strategic change.

3. Understanding strategy development

- a) Discriminate between the concepts of intended and emergent strategies.
- b) Explain how organisations attempt to put an intended strategy into place.
- c) Highlight how emergent strategies appear from within an organisation.
- d) Discuss how process redesign, and e-business can contribute to emergent strategies.
- e) Assess the implications of strategic drift and the demand for multiple processes of strategy development.

D BUSINESS AND PROCESS CHANGE

1. Business change

- a) Explain how business change projects are initiated to address strategic alignment.
- b) Apply the stages of the business change lifecycle (alignment, definition, design, implementation, realisation).
- c) Assess the value of the four view (POPIT – people, organisation, processes and information technology) model to the successful implementation of business change

2. The role of process and process change initiatives

- a) Advise on how an organisation can reconsider the design of its processes to deliver a selected strategy.
- b) Appraise business process change initiatives previously adopted by organisations.
- c) Establish an appropriate scope and focus for business process change using Harmon's process-strategy matrix.
- d) Explore the commoditisation of business processes.
- e) Advise on the implications of business process outsourcing.
- f) Recommend a business process redesign methodology for an organisation.

4. Improving the processes of the organisation

- a) Evaluate the effectiveness of current organisational processes.
- b) Describe a range of process redesign patterns.
- c) Establish possible redesign options for improving the current processes of an organisation.
- d) Assess the feasibility of possible redesign options.
- e) Assess the relationship between process redesign and strategy.

4. Software solutions

- a) Establish information system requirements required by business users.
- b) Assess the advantages and disadvantages of using a generic software solution to fulfil those requirements.
- c) Establish a process for evaluating, selecting and implementing a generic software solution.
- d) Explore the relationship between generic software solutions and business process redesign.

E INFORMATION TECHNOLOGY

1. Principles of information technology

- a) Advise on the basic hardware and software infrastructure required to support business information systems
- b) Identify and analyze general information technology controls and application controls required for effective accounting information systems
- c) Analyze the adequacy of general information technology controls and application controls for relevant application systems
- d) Evaluate controls over the safeguarding of information technology assets to ensure the organizational ability to meet business objectives

2. Principles of e-business

- a) Discuss the meaning and scope of e business.
- b) Advise on the reasons for the adoption of ebusiness and recognize barriers to its adoption.
- c) Evaluate how e-business changes the relationships between organisations and their customers.

- d) Discuss and evaluate the main business and marketplace models for delivering e-business.

3. E-business application: upstream supply chain management

- a) Analyse the main elements of both the push and pull models of the supply chain.
- b) Discuss the relationship of the supply chain to the value chain and the value network.
- c) Assess the potential application of information technology to support and restructure the supply chain.
- d) Advise on how external relationships with suppliers and distributors can be structured to deliver a restructured supply chain.
- e) Discuss the methods, benefits and risks of e-procurement.
- f) Assess different options and models for implementing e-procurement.

4. E-business application: downstream supply chain management

- a) Define the scope and media of e-marketing.
- b) Highlight how the media of e-marketing can be used when developing an effective e-marketing plan.
- c) Explore the characteristics of the media of e-marketing using the '6I's of Interactivity, Intelligence, Individualisation, Integration, Industry structure and Independence of location.
- d) Evaluate the effect of the media of e-marketing on the traditional marketing mix of product, promotion, price, place, people, processes and physical evidence.
- e) Describe a process for establishing a pricing strategy for products and services that

recognises both economic and non-economic factors.

- f) Assess the importance of on-line branding in e-marketing and compare it with traditional branding.

5. E-business application: customer relationship management

- a) Define the meaning and scope of customer relationship management.
- b) Explore different methods of acquiring customers through exploiting electronic media.
- c) Evaluate different buyer behaviour amongst on-line customers.
- d) Recommend techniques for retaining customers using electronic media.
- e) Recommend how electronic media may be used to increase the activity and value of established, retained customers.
- f) Discuss the scope of a representative software package solution designed to support customer relationship management.

F PROJECT MANAGEMENT

1. The nature of projects

- a) Determine the distinguishing features of projects and the constraints they operate in.
- b) Discuss the implications of the triple constraint of scope, time and cost.[2]
- c) Discuss the relationship between organisational strategy and project management.
- d) Identify and plan to manage risks.
- e) Advise on the structures and information that have to be in place to successfully initiate a project.

- f) Explain the relevance of projects to process re-design and e-business systems development.

2. Building the business case

- a) Describe the structure and contents of a business case document.
- b) Analyse, describe, assess and classify benefits of a project investment.
- c) Analyse, describe, assess and classify the costs of a project investment
- d) Evaluate the costs and benefits of a business case using standard techniques
- e) Establish responsibility for the delivery of benefits
- f) Explain the role of a benefits realisation plan

3. Managing and leading projects

- a) Discuss the organisation and implications of project-based team structures.
- b) Establish the role and responsibilities of the project manager and the project sponsor.
- c) Identify and describe typical problems encountered by a project manager when leading a project.
- d) Advise on how these typical problems might be addressed and overcome.

4. Planning, monitoring and controlling projects

- a) Discuss the principles of a product breakdown structure
- b) Assess the importance of developing a project plan and discuss the work required to produce this plan.

- c) Monitor the status of a project and identify project risks, issues, slippage and changes.
- d) Formulate responses for dealing with project risks, issues, slippage and changes.
- e) Discuss the role of benefits management and project gateways in project monitoring.

5. Concluding a project

- a) Establish mechanisms for successfully concluding a project.
- b) Discuss the relative meaning and benefits of a post-implementation and a post-project review.
- c) Discuss the meaning and value of benefits realisation
- d) Evaluate how project management software may support the planning and monitoring of a project.
- e) Apply 'lessons learned' to future business case validation and to capital allocation decisions.

G FINANCE

1. The link between strategy and finance

- a) Explain the relationship between strategy and finance
 - i) Managing for value
 - ii) Financial expectations of stakeholders
 - iii) Funding strategies
- b) Discuss how the finance function has transformed to enabling an accountant to have a key role in the decision making process from strategy formulation and implementation to its impact on business performance

2. Finance decisions to formulate and support business strategy

- a) Determine the overall investment requirements of the business.

- b) Evaluate alternative sources of finance for these investments and their associated risks.
- c) Efficiently and effectively manage the current and non-current assets of the business from a finance and risk perspective.

3. The role of cost and management accounting in strategic planning and decision-making

- a) Evaluate budgeting, standard costing and variance analysis in support of strategic planning and decision making.
- b) Evaluate strategic and operational decisions taking into account risk and uncertainty (Including using decision trees).
- c) Evaluate the following strategic options using marginal and relevant costing techniques.
 - Make or buy decisions
 - Accepting or declining special contracts
 - Closure or continuation decisions
 - Effective use of scarce resources
- d) Evaluate the role and limitations of cost accounting in strategy development and implementation, specifically relating to:
 - i) Direct and indirect costs in multi-product contexts
 - ii) Overhead apportionment in full costing
 - iii) Activity based costing in planning and control

4. Financial implications of making strategic choices and of implementing strategic actions

- a) Apply efficiency ratios to assess how efficiently an organisation uses its current resources.
- b) Apply appropriate gearing ratios to assess the risks associated with financing and investment in the organisation.

- c) Apply appropriate liquidity ratios to assess the organisation's short-term commitments to creditors and employees.
- d) Apply appropriate profitability ratios to assess the viability of chosen strategies.
- e) Apply appropriate investment ratios to assist investors and shareholders in evaluating organisational performance and strategy.

H PEOPLE

(Note that Section H of the syllabus is underpinned directly by knowledge gained in F1, Accountant in Business. Students are expected to be familiar with the following Study Guide subject areas from that syllabus: A1, A2, B1-B3, D1, and D4-D6)

1. Strategy and people: leadership

- a) Explain the role of visionary leadership and identify the key leadership traits effective in the successful formulation and implementation of strategy and change management.
- b) Apply and compare alternative classical and modern theories of leadership in the effective implementation of strategic objectives.

2. Strategy and people: job design

- a) Assess the contribution of four different approaches to job design (scientific management, job enrichment, Japanese management and re-engineering).
- b) Explain the human resource implications of knowledge work and post-industrial job design.

- c) Discuss the tensions and potential ethical issues related to job design.
- d) Advise on the relationship of job design to process re-design, project management and the harnessing of e-business opportunities.

3. Strategy and people: staff development

- a) Discuss the emergence and scope of human resource development, succession planning

and their relationship to the strategy of the organisation.

- b) Advise and suggest different methods of establishing human resource development.
- c) Advise on the contribution of competency frameworks to human resource development.
- d) Discuss the meaning and contribution of workplace learning, the learning organisation, organisation learning and knowledge management.