



Chartered
Accountant
SINGAPORE

ACCOUNTING FOR DECISION MAKING

FOUNDATION PROGRAMME

Study Guide: 2026-2027 edition



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About the Institute of Singapore Chartered Accountants (ISCA)

The Institute of Singapore Chartered Accountants (ISCA) is the national accountancy body of Singapore. Established in 1963, ISCA administers the Singapore Chartered Accountant Qualification programme and is the designated entity to confer the Chartered Accountant of Singapore [CA (Singapore)] designation.

ISCA supports over 45,000 members across industries in Singapore and globally, with members in more than 40 countries. With a growing international presence, ISCA has 12 overseas chapters, 7 offices across 10 countries and a network of over 150 strategic partners, strengthening professional connections and opportunities across borders. ISCA is also a member of Chartered Accountants Worldwide, a global network representing more than 1.8 million Chartered Accountants and students across over 190 countries.

ISCA advances professional development and lifelong learning through ISCA Academy, its training arm, and drives community impact through ISCA Cares, its charity arm.

For more information, visit www.isca.org.sg.

The Accounting and Corporate Regulatory Authority

The Accounting and Corporate Regulatory Authority (ACRA) is the regulator of business registration, financial reporting, public accountants, and corporate service providers. We are also responsible for developing the accountancy sector and setting the accounting standards for companies, charities, co-operative societies, and societies in Singapore. ACRA fosters a vibrant and trusted business environment that enables innovation and growth and contribute towards making Singapore the best place for business.

ACRA was formed as a statutory board on 1 April 2004, following the merger of the Registry of Companies and Businesses (RCB) and the Public Accountants' Board (PAB). This merger sought to achieve synergies between the monitoring of corporate compliance with disclosure requirements and the regulation of public accountants performing statutory audits.

On 1 April 2023, ACRA, the Singapore Accountancy Commission (SAC) and the Accounting Standards Council (ASC) merged as one entity, taking on the name, ACRA. The merger aimed to strengthen the effectiveness of regulation, standards-setting, and sector development by harnessing synergies across complementary accountancy-related functions.

For more information, visit: www.acra.gov.sg

The Singapore CA Qualification

The Singapore Chartered Accountant Qualification (SCAQ) is Singapore's national professional accountancy qualification, designed to develop business leaders. It is internationally recognised through Reciprocal Membership Agreements with world-renowned Chartered Accountant (CA) Professional Bodies in Australia, New Zealand, Ireland, Scotland, and the United Kingdom; and provides an Asian perspective.

Completion of SCAQ opens the way to full membership with the Institute of Singapore Chartered Accountants (ISCA) which is required in order to be conferred the Chartered Accountant of Singapore – CA (Singapore) designation.

SCAQ was developed by the Singapore Accountancy Commission (SAC) in 2013. On 1 April 2023, SAC, the Accounting & Corporate Regulatory Authority (ACRA) and the Accounting Standards Council (ASC) merged as one entity, taking on the name ACRA. The merged ACRA is responsible for the growth and development of the accountancy sector and its related fields in Singapore, including SCAQ.

Introduction

The Study Guide helps Candidates to be better prepared for the Singapore CA Qualification examinations. The Study Guide provides guidance to Candidates on how to use the recommended textbooks.

Module Assessment

The Foundation Programme is assessed by way of centralised examinations. These standard national examinations are applicable to all Candidates. Each module will be assessed by way of a 2 hour and 30 minutes restricted open-book Multiple-Choice Question (MCQ) examination. There will be fifty questions, including standalone and short case-based questions.

Module Objective

The Accounting for Decision Making module develops cost accounting techniques for planning, control, and decision making. The key focus is on analysis of relevant information for decision making by management. Upon successful completion of this module, Candidates will have gained practical knowledge through the application of various strategic management accounting tools and techniques.

Assumed Knowledge and Pre-requisites

It is assumed that Candidates have acquired a strong knowledge base from their prior tertiary studies. Outlined below is a summary of the assumed knowledge for the Accounting for Decision Making module:

- (a) Basic application of common costing techniques and associated terminology;
- (b) Basic application of budgeting techniques; and
- (c) The ability to identify variances and possible causes.

Recommended Textbook

There is no prescribed learning materials for each of the Foundation Programme modules. Candidates should make use of the Recommended Textbooks to deepen their knowledge and understanding of the topics and learning outcomes. This study guide maps out the module Learning Outcomes to the various chapters and sections found within the recommended Textbooks that you would find useful and relevant in your studies and work.

The Recommended Textbook are as follows:

No	Textbook	Authors	Publisher	Edition
1.	Cost Management (A Strategic Emphasis)	Edward J. Blocher, David E. Stout, Paul E. Juras, Steven Smith	McGraw-Hill	10 th Edition 2024
2.	Strategic Management	Frank T Rothaermel	McGraw-Hill	7 th Edition 2026

As the textbooks are not customised for the Singapore CA Qualification, there are learning outcomes not covered by the text books. The Study Guide has aligned such learning outcomes to publicly available references. Candidates may refer to other sources to supplement your learning.

In addition to the above references, Candidates should make use of other resources like the Examiners' Guide published on the SCAQ website and Essential Reading listed in this Study Guide.

Studying for the Singapore CA Qualification (Foundation)

Candidates may choose the following mode of study for the Singapore CA Qualification (Foundation):

- (a) Attend tuition courses with a Registered Learning Organisation – Foundation Programme (RLO-FP); or
- (b) Self-study.

For more information, visit:

[Home | The E-Learning Portal for Singapore CA Qualification \(SCAQ\) Candidates](#)

Attending the preparatory or revision classes conducted by the RLO-FPs may help you to better prepare for the Singapore CA Qualification (Foundation) examinations.

The list of RLO-FPs is available on the SCAQ website. For more details regarding course fees, schedules, and duration, please visit the respective RLO-FP websites.

Using the Practice Papers with Multiple-Choice Question (MCQ) format

Note that from June 2026, all Foundation Programme modules will adopt an objective testing assessment format using MCQ exams, providing a more consistent and accessible assessment experience.

The program is being refreshed to equip candidates with future-ready skills and knowledge, align with global professional standards and to ensure consistency in coverage

Using the Study Guide and the Recommended Textbooks

Utilising the Study Guide and the Recommended Textbooks together for studying the Singapore CA Qualification will:

- help you navigate and achieve the module learning outcomes to obtain insightful commentary and explanatory details of the module topic;
- increase your comprehension and organise your understanding through the module topic and practice with application-based examples; and
- prepare you for a successful exam, while providing the knowledge you can put into action at work right away.

Planning Your Study Programme

Each semester is approximately 13 weeks long. You should establish your own detailed study plan that fits in with your work and other commitments. There are two distinct periods during the semester that you should take note of:

- i) gaining knowledge and developing your application skills and
- ii) revising for the examination, which includes honing your application skills.

A sample study plan might be to divide the semester into two with:

- The first ten weeks spent gaining knowledge and developing your application skills; and

- The final three weeks spent revising for the examination and doing practice exam questions.

Using this sample study plan, you would then divide the number of topics by ten and plan to work through each topic accordingly. As you complete each topic, you should also attempt the corresponding practice questions from the Textbooks.

This approach will help you establish whether you have understood the concepts thoroughly and reinforces the knowledge and skills gained.

Once you have read all the relevant sections from the Recommended Textbooks, as well as the other suggested reading materials and worked through the topic-specific questions from the Textbooks, you should then switch to intense revision mode and start preparing yourself for the examination.

The past year examination questions also help you get prepared for your examination. You should attempt each question as if it were the real examination, limiting the time allowed to complete, and being honest with yourself when you compare your answer to the answer suggested. As part of your revision, you should refer to the Recommended Textbooks and other essential reading materials to ensure that you have fully understood the concepts and noted any exceptions.

In terms of time invested, it is recommended that you spend 100 hours on gaining knowledge and developing your application skills (approximately 10 hours a week for the first 10 weeks of the semester). The last three weeks should be devoted to intensive revision and exam practice. At a minimum, you should plan to invest at least 12 hours each week in the three weeks leading up to the examination.

Module Syllabus

THE MODULE AT A GLANCE

- A** Explain managerial accounting and its primary responsibilities in organisations and classify costs used in managerial accounting.
- B** Apply various cost management tools for analysis and decision making.
- C** Prepare master and flexible budgets and apply standard costs to compute and interpret the cost variances.
- D** Identify various types of responsibility centres and evaluate various types of short-term.
- E** Analyse various types of strategic models in managerial accounting.
- F** Discuss the application of balanced scorecard and performance measurements for strategic planning and control for sustainable business.

ACCOUNTING FOR DECISION MAKING

Introduction to Management Accounting	4 Hrs	6%
Cost Management and Cost Analysis	10 Hrs	17%
Budget Planning and Control	9 Hrs	15%
Responsibility Accounting and Business Decision Making	14 Hrs	23%
Strategic Management	10 Hrs	17%
Performance Evaluation and Sustainability Issues	13 Hrs	22%

* Estimated study hours only serve as a guide for the Candidates.

SPECIFIC EXCLUSIONS

Nil.

ESSENTIAL READING

The financial press in relation to emerging trends and current issues.

Module Syllabus

Cognitive Levels (CL)

This document includes learning outcomes which Candidates are expected to achieve. Each learning outcome is identified with a cognitive level ranging from 1 to 3. The cognitive levels are described below:

Cognitive level 1

An ability to communicate sound knowledge and insight in relation to emerging trends, current issues and regulatory changes, with some practical application.

Cognitive level 2

An ability to analyse and apply knowledge to moderately complex scenarios that a Candidate would be likely to encounter in the workplace to derive the best possible outcome.

Cognitive level 3

An ability to demonstrate an elevated level of application of knowledge, as well as synthesise and evaluate information in more complex scenarios in order to arrive at value-added solutions.

This cognitive level gives an indication of the intellectual depth which Candidates are expected to achieve.

The technical modules in the Professional Programme are designed at postgraduate level and build on knowledge, skills and values achieved during the prior tertiary studies. The technical modules are designed to develop higher order skills of application, analysis, synthesis and evaluation. For this reason, there are very few learning outcomes with cognitive level 1.

Core and non-core learning outcomes

In addition to the CL, each learning outcome is defined as core or non-core to distinguish between fundamental or supplemental knowledge and skills prescribed in this module.

Core learning outcomes

These are essential learning outcomes which Candidates are expected to achieve in order to gain competency in the described module objective.

Non-core learning outcomes

These are learning outcomes which supplement the core learning outcomes that will equip Candidates with a holistic understanding of the module.

Using the Study Guide

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
A	INTRODUCTION TO MANAGEMENT ACCOUNTING					
A1	Accounting as a Tool for Managers					
1	Define managerial accounting.	1	C	Chapter 1 Whole Chapter	—	—
2	Identify the three primary responsibilities of management.	2	C		—	—
3	Distinguish between management accounting and financial accounting.	2	C		—	—
A2	Cost behaviour Patterns					
4	Distinguish between Merchandising, Manufacturing, and Service Organisations.	2	C	Chapter 3 Whole Chapter	—	—
5	Identify Basic Cost Behaviour Patterns.	2	C		—	—
6	Determine Variable and Fixed Costs.	1	C		—	—
B	COST MANAGEMENT AND COST ANALYSIS					

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
B1	Cost-Volume-Profit Analysis					
7	Explain contribution margin.	1	C	Chapter 9 LO 9-1	—	—
8	Compute a breakeven point in sales units and sales dollars for single and multiple products	2	C	Chapter 9 LO 9-2	—	—
9	Apply breakeven sensitivity for a single product and multi-product environment under changing business conditions	2	C	Chapter 9 LO 9-3, LO 9-4	—	—
B2	Job Costing					
10	Distinguish between job costing and process costing.	2	C	Chapter 4 Whole chapter	—	—
11	Compute a predetermined overhead rate for a job.	2	C		—	—
12	Compute the cost of a job.	2	C		—	—
13	Prepare journal entries for a job costing system.	2	C		—	—
B3	Process Costing					

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
14	Identify conversion costs for process costing.	2	C	Chapter 6 Whole chapter	—	—
15	Compute equivalent units and total cost of production.	2	C	Chapter 6 Whole chapter	—	—
16	Prepare Journal Entries for a Process Costing System.	2	C		—	—
B4	Activity-Based Costing, Variable and Absorption Costing					
17	Identify cost drivers for each activity.	2	C	Chapter 5 Whole chapter	—	—
18	Compute predetermined overhead and total cost under the traditional allocation method.	2	C		—	—
19	Compute activity-based product costs.	2	C		—	—
20	Compare and contrast traditional and activity-based costing system.	2	C		—	—
21	Compare and contrast variable and absorption costing.	2	C	Chapter 18 LO 18-4	—	Weblink: https://www.investopedia.com/ask/answers/052515/what-are-differences-between-absorption-costing-and-variable-costing.asp

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
C	PERFORMANCE MEASUREMENT AND CONTROL					
C1	Budgeting					
22	Describe why managers use budgets.	1	C	Chapter 10 LO 10-1 to LO 10-5	—	—
23	Prepare the operating budget, financial budget, and master budget.	2	C		—	—
24	Prepare the flexible budgets.	2	C	Chapter 14 LO 14-3	—	—
25	Explain how budgets are used to evaluate goals.	1	C	Chapter 16 Whole Chapter	—	—
C2	Standard Costing and Variance					
26	Explain why a standard cost is developed.	1	C	Chapter 14 LO 14-4 to LO 14-5	—	—
27	Compute the standard costs for product costing.	2	C	Chapter 15 LO 15-1	—	—

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
28	Calculate and interpret variances for materials, labour, overhead and sales.	2	C	Chapter 15 LO 15-2	—	—
29	Explain how companies use variance analysis for performance evaluation and control.	2	C	Chapter 15 LO 15-2	—	—
D	RESPONSIBILITY ACCOUNTING AND BUSINESS DECISION MAKING					
D1	Responsibility Accounting					
30	Evaluate centralised and decentralised organisation structure.	3	C	Chapter 18 LO 18-1, LO 18-3 LO 18-4	—	—
31	Describe various types of responsibility centers.	1	C		—	—
32	Evaluate the effects of various decisions on performance evaluation of responsibility centers.	2	C		—	—
33	Explain the objectives of transfer pricing and describe the advantages and disadvantages of various transfer pricing methods.	3	C	Chapter 19 LO 19-4	—	—
34	Compute the transfer prices between strategic business units within an entity.	2	C		—	—

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
D2	Short term decision making					
35	Identify relevant information for decision making when resources are constrained.	2	C	Chapter 11 LO 11-1 LO 11-7	—	—
36	Evaluate whether to accept or reject a special order.	3	C	Chapter 11 LO 11-2	—	—
37	Evaluate whether to make or buy a component.	3	C	Chapter 11 LO 11-3	—	—
38	Evaluate whether to keep or discontinued a product or a segment.	3	C	Chapter 11 LO 11-5	—	—
39	Evaluate whether to sell or process further.	3	C	Chapter 11 LO 11-4	—	—
E	STRATEGIC MANAGEMENT					
E1	Strategic models and tools to determine the strategy and competitive position of the businesses					

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
40	Apply porter's generic strategies.	2	NC	—	Chapter 6 Whole Chapter	—
41	Apply porter's five forces.	2	NC	—	Chapter 3 LO 3-2 to LO 3-5	—
42	Apply PESTEL.	2	NC	—	Chapter 3 LO 3-1	—
43	Apply SWOT.	2	NC	Chapter 2 LO 2-1	Chapter 4 LO 4-10	—
44	Apply value chain analysis.	2	NC	Chapter 2 LO 2-1	Chapter 4 LO 4-8	—
45	Apply resources, capabilities & core competencies.	2	NC	—	Chapter 4 LO 4-2	—
F	PERFORMANCE EVALUATION AND SUSTAINABILITY ISSUES					
F1	Balanced Scorecard and Performance Measures					
46	Describe the balance scorecard and discuss how it is used.	3	C	Chapter 2 LO 5-5 Chapter 18 LO 18-5	Chapter 5 LO 5-5	—

	ACCOUNTING FOR DECISION MAKING MODULE			Cost Management	Strategic Management	Other references
				(10 th Edition)	(7 th Edition)	
No	Learning Outcomes	CL	Core			
47	Discuss the importance of performance measurement.	3	C	Chapter 18 LO 18-1 to LO 18-3	—	—
48	Discuss the characteristics of an effective performance measure.	3	C		—	—
49	Evaluate a project using Return on Investment, Residual Income, and Economic Valued Added.	3	C	Chapter 19 LO 19-1 to 19-3	—	—
F2	Sustainability Issues					
50	Describe how sustainability creates business value.	1	NC	Chapter 2 LO 2-5	—	Sustainability Reporting: https://isca.org.sg/standards-guidance/sustainability-and-climate-change
51	Identify users need of information for sustainability reporting.	2	NC	—	—	Weblink: https://www.sgx.com/sustainable-finance/reporting-frameworks

Appendix A - Common verbs used by the Examiners

Verb	Description
Account (for) / Bring to account	Account requires you to show how to record an element in the financial statements appropriately. This might be by means of a journal entry, T-account, or an extract from the financial statements. Remember, a journal or a T-account is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration) – easy marks are often thrown away through carelessness. Bring to account requires you to include all components, say itemise all revenue that should be recognised for income tax purposes.
Advise / Give advice	As a Professional Accountant, your work will invariably require you to form an opinion about the most appropriate course of action, or offer alternative courses of action depending upon the situation. This type of question requires you to give specific guidance to an individual or a group (e.g. a taxpayer, audit client, management, etc.), so your answer must provide specific information or make a recommendation tailored to the individual or group and justify your position.
Analyse	Identify the key components, look for similarities and differences, look for patterns or outliers, and weight up the issues. If there is numerical data, you might need to provide a range of answers depending on how you substitute the data into your model. Make sure you state any implications of your answer and any assumptions that you make.
Apply	This instruction requires you to relate your answer back to a specific document/s or set of facts. Alternatively, you may be required to use a specific formula, model, or process. For instance, “ Apply the relevant Singapore Financial Accounting Standard to ...”. Another example would be “ Apply the 3-year and 2-year concessional rules for determining tax residence”. Apply and With reference to are similar.
Appraise	Make a judgment about the value, quality, outcomes, results, or size. Often there will be a qualifier in the instruction, which will tell you exactly what to appraise . For instance, “ Appraise Company X’s <u>credit worthiness</u> ...”. Professional judgment and scepticism (a questioning mind) are called for when making an appraisal . Appraise and Assess are interchangeable.
Arrange	Put into the correct order or sequence. Sometimes arrange will require you to make a judgment about which items or factors should be given priority or the order of importance (Rank or Prioritise). For instance, when considering the severity and/or frequency of risks, it is possible to prioritise (or rank) the risks according to whether they have a low, medium, or high probability of occurring and appropriate resources can be deployed efficiently.
Assess	Make a judgment about the value, quality, outcomes, results, or

	size. Often there will be a qualifier in the instruction, which will tell you exactly what to assess. For instance, “Assess the <u>adequacy</u> of the disclosures in the financial statements relating to ...”. Professional judgment and scepticism (a questioning mind) are called for when making an assessment. Appraise and Assess are interchangeable.
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Verb	Description
Bullet points	Unless specifically asked for, <u>only</u> use bullet points in your answer as an <u>absolute last resort</u> if you are running out of time. A quarter of a mark is better than zero.
Calculate / Compute	Do the number crunching and derive the correct answer? Make sure that you write down your workings and crosscheck your numbers. Candidates often underperform because of careless mistakes.
Comment	Comment is similar to evaluate in that you are required to make a judgment or provide your opinion based on the facts at hand. Professional judgment and scepticism (a questioning mind) are called for when commenting .
Compare and Contrast	Compare requires you to show how things are similar and/or different while contrast requires you to show how things are different or opposite. Even if you are asked just to compare , you must indicate both the similarities and differences.
Conclude / Draw conclusions	Form a judgment, or determine the outcome, or resolve an issue, by using the facts presented. An example might be "Conclude whether to outsource the human resource function".
Critically (analyse / Evaluate)	Critically requires that your answer be more extensive than if you were asked to analyse or evaluate the data. Your answer must add a greater degree or level of accuracy, depth, knowledge, understanding, logic, questioning, reflection, and quality to your analysis or evaluation. Remember, critically requires you to consider both the positive and negative points and apply professional scepticism (a questioning mind) in conjunction with professional judgment. Often when an examiner asks you to critically evaluate or analyse something it is because there can be more than one right answer, so you have to convincingly defend your opinion as part of your answer.
Defend	Whenever you see the word defend you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to justify your answer, you will lose valuable marks. For example, " Defend your advice ."
Define	Like list , you are unlikely to be asked just to define a term, particularly in a professional accounting-related examination unless it is a term that requires you to communicate your understanding rather than copying down someone else's definition or rote learning. For instance, " Define in your own words ...".
Demonstrate	Demonstrate requires you to prove or disprove something

	beyond any doubt, or show that it applies in the situation described by giving evidence (for instance, provide an example). The evidence can be from the facts given or from your general knowledge and experience. Demonstrate and Illustrate are similar.
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Verb	Description
Describe	Describe requires you to provide the characteristics and features of an item or situation. For instance, “ Describe the audit procedures to verify ...” requires you to state the specific audit procedure/s that you would use without going into step-by-step detail of how to perform that procedure.
Detail	Detail requires you to give very specific instructions or advice . For instance, “ Detail the audit procedures to verify ...” requires you to provide step-by-step instructions. Another example is “ Detail how the findings from the site visit will affect the planning of the statutory audit”. This instruction requires you to state the positive and negative consequences in relation to the site visit and the planning of the audit. Don’t forget to think about the future and the past, not just the present when stating the consequences.
Determine	Ascertain or conclude after analysis and evaluation the most appropriate course of action or most correct answer from a range of viable alternatives.
Discuss	Discuss requires you to provide the 'for' and 'against' arguments, you cannot have a discussion without opposing views otherwise it would be just a conversation. If discuss is placed near the front of the instruction, then it requires you to provide an answer that is similar to explain, but addresses both the for and against arguments. For instance, “Discuss why numerical valuation is essential when buying or selling a small business”. However, if there is a statement and discuss is placed at the end, your answer <u>must be</u> in the form of <u>an essay</u> with the following elements: • An introduction, which declared whether you agree, disagree, partly agree, or partly disagree with the statement; • The body of your answer, stating: I) Why is it possible to agree and ii) why is it possible to disagree with the statement. You should provide examples to support both points of view; and • A conclusion that proves your original position. An example of a discuss question that requires an essay style answer would be “Numerical valuation is not essential when buying or selling a small business because the actual selling price is the outcome of negotiation. Discuss”.
Distinguish	To note differences between. For instance, “ Describe what is meant by the term tax planning and distinguish it from tax evasion”. Apart from describing what tax planning involves (say 1-2 marks), you need to explain how the two terms are different and

	how they are similar. However, providing a list of differences and similarities is insufficient – complete sentences are essential to achieve full marks. In addition, it is important that you also mention any other relevant factors (e.g. the ethical and legal issues).
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Verb	Description
Evaluate	Pass judgment on or provide your opinion based on the facts at hand. When making an evaluation , there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a description of the facts is insufficient. Professional judgment and scepticism(a questioning mind) are called for when making an evaluation . Examine and Evaluate are interchangeable.
Examine	Pass judgment on or provide your opinion based on the facts at hand. When examining the facts given, there are often predetermined criteria that you will use to base your opinion on. The key here is to give your opinion or make a judgment of the facts, but providing just a description of the facts is insufficient. Professional judgment and scepticism (a questioning mind) are called for when making an evaluation . Examine and Evaluate are interchangeable.
Explain	As a Professional Accountant, you will be frequently called upon in your work to explain difficult concepts and technical issues to people who are not accounting trained. This is where your ability to share your knowledge using simple everyday terms will be most needed. Explain requires you to write at least several sentences conveying how you have analysed the information in a way that a layperson can easily understand the concept or grasp the technical issue at hand. For instance, “Explain whether an ‘emphasis of matter’ paragraph or an ‘other matter’ paragraph would be most appropriate in this situation”, or “Explain how a partnership is assessed for tax”. Evaluate and Examine are interchangeable.
Identify	Identify is similar to list, but requires you to also provide an explanation as to why the item/s that you have identified is/are relevant to the facts given in the question. Often identify will require you to select a specific issue or issues, but not all issues, so you need to look out for any qualifying words. For instance, “Identify the <u>Board Matters</u> ...” is asking you to focus solely on issues that relate to Board Matters from the Singapore <i>Code of Corporate Governance</i> so if you digress and identify remuneration issues, you will not score well. Another example is “Identify the companies that qualify as members of a group for the purposes of group tax relief”. In order to score well in this second example, you need to identify the companies and state why they are included in the group. You also need to state if a company is not included and why.
Illustrate / Give	Illustrate requires you to provide an example, either from the facts given, a real-life example, or a made-up example to illustrate the

examples	point you are trying to make. Illustrate and Demonstrate have similarities.
In accordance with	This instruction requires you to relate your answer back to a specific document. Failure to make specific mention of the document in your answer will result in a loss of marks.

Verb	Description
Interpret	Look at the whole as well as the individual parts and decide what the data (or diagram) is telling you. Remember, although interpret may involve some subjective assessment, some answers will be <u>more right</u> (or appropriate) than others.
Justify	Whenever you see the word justify you <u>must</u> provide reasons for your answer, in other words, provide support for your argument or conclusion. If you fail to justify your answer, you will lose valuable marks. Justify is similar to defend .
List	Prepare an itemised list . Although you are unlikely to be asked just for a list of items, it is important to remember that many of the common verbs used by examiners require you to begin with a mental list of issues to consider.
Outline	Outline requires you to provide a general overview of the situation and indicate the main features. Outline is used when the question is worth only a couple of marks, but a single sentence is usually never enough to achieve full marks.
Plan	Prepare a detailed proposal . For instance, in an assurance engagement, you may be asked to ' Plan a review of historical information'.
Predict	Suggest what may happen based on the available information. Remember, although predicting involves uncertainty, some answers will be <u>more right</u> (or appropriate) than others.
Prepare	Prepare requires you to produce your answer using a specific format. For instance, " Prepare the Statement of Cash Flows for ..." or " Prepare all the relevant journal entries for ...". Remember, a journal entry is only complete if it shows the date of the entry, the correct accounts, the correct amounts, and has a description (narration)—easy marks are often thrown away through carelessness. Record and Prepare have similarities.
Prioritise	Make a judgment about which items or factors should be given priority based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. Rank and Prioritise are interchangeable, and both terms have similarities with Arrange .
Produce	Produce requires you to present your answer in a specific format from scratch. For instance, you may be required to " Produce a Profit or Loss Statement".
Propose/Provide	Put forward (for example, a point of view, idea, argument, alternatives, etc.) for consideration or action. For instance, "Based on the facts of the case, propose the most tax-effective entity type ...", or " Propose audit adjusting entries to correct ...".

Prove

Prove requires you to establish that something is true by citing evidence or giving clear logical reasons. When you reconcile the Bank Account in the General Ledger you are **proving** that the account balance is correct.

Verb	Description
Quantify	Provide a <u>numerical value</u> (an exact calculation) or a <u>range of values</u> (upper/lower limits, average, likely values, etc.). For instance, “ Quantify the misstatement in the ‘investment in subsidiary’ in the Statement of Financial Position” or “ Quantify the adverse direct materials variance cost”. As with calculate and compute , you should always show your workings and crosscheck your numbers.
Rank	Make a judgment about which items or factors should be given priority based on importance. For instance, when considering the severity and/or frequency of a risk, it is possible to categorise risks according to whether they have a low, medium, or high risk of occurring and appropriate resources can be deployed efficiently. Rank and Prioritise are interchangeable, and both terms have similarities with Arrange .
Record	Record is similar to prepare in that you may need to perform a calculation and show the specific components in an appropriate format. For instance, “ Record the closing entries to transfer profit (or loss) to retained earnings”. Record and Prepare have similarities.
Recognise	Recognise requires you to distinguish between various components and to be able to state how each component should be treated. For instance, “... and indicate if the gain/loss is recognised as profit or loss or other comprehensive income”. Identify and Recognise have similarities.
Recommend	Make a statement about the most appropriate course of action. If there is more than one possible course of action, state which action you would choose and why (justify your choice). Your professional judgment and your ability to interpret the wider situation are critical to scoring well in these types of questions. Don't forget to think about the future and the past, not just the present when making a recommendation .
Reconcile / Reconciliation	Prove that the balance of an account is correct. For instance, “ Using the data given, prepare a bank reconciliation ” requires you to prove that the bank balance in the General Ledger corresponds with the balance shown on the bank statement, listing down the timing differences (e.g. unpresented cheques) and errors (if any). Note here the term <u>Bank Reconciliation</u> , as this acts as a <u>qualifier</u> to indicate the format that you should use to present your answer.
Respond / Reply	This is your right of reply . When you are asked to respond , it is usually in reply to a comment made by someone else (although you can also be asked how you would respond in a particular situation). For instance, “ Respond to the Chairperson regarding her comment on impairment”. Whenever you are asked to respond , you must always justify your opinion or the actions you would take.

State	State is similar to list , but the items require your professional judgement. For instance, " State any restrictions that apply". One of the easiest ways to make sure that you state comprehensively is to think, " list <u>and</u> justify ". You will note that state appears in many of the verb descriptions given.
Summarise	Provide a concise description. Summarise is similar to describe , but in a condensed format.

Verb	Description
To what extend	This instruction requires you to advance arguments in favour of a position or point of view and respond to or take into consideration the opposing arguments or points of view. You must always justify your answer.
Translate	For the purposes of Singapore CA Qualification examinations, translate refers to the conversion of monetary values from one currency into another currency (although translate can refer to spoken and written language as well).
Use / Using	This instruction tells you the type of model that you must use when formulating your answer. For instance, " Using the <u>Discounted Cash Flow approach</u> , ..." tells you what valuation approach to use. Another common phrase is " Using the facts of the case, ...", which tells you that you must relate your answer to the specific facts given in the question scenario. Generic answers will not pass.
With reference to	This instruction requires you to relate your answer back to a specific document/s or set of facts. For instance, " With reference to relevant Singapore Financial Reporting Standards, explain the risk of material misstatements relating to ...". In this example, relevant <u>Singapore Financial Reporting Standards</u> acts as a qualifier (with reference to 'what'). Failure to make specific mention of the document/s or facts in your answer will result in a substantial loss of marks.

END OF STUDY GUIDE