



MCAST

Malta College of Arts, Science & Technology

MQF Level 6

BC5-01-19
BC5-01-19G

MCAST Higher Diploma for Accounting Technicians

Course Specification

Course Description

This is a two-year programme at Level 5, which gives students the possibility of becoming members of the Association of Accounting Technicians (UK) and attain specialized certification for Accounting Technicians from this International awarding body in the area of Accounting, once the necessary assessments are carried out and competency successfully achieved in them. These AAT (UK) assessments will also contribute to attaining exemptions when furthering studies onto the ACCA or related programmes of higher education at the end of this Level 5 Higher Diploma offered by MCAST. The course is intended to provide specialist support staff for employment in Accounting and Finance. Successful students will be qualified to carry out accounting or financial duties in the offices of practising accountants, in industrial and commercial organisations, as well as related work in other financial services organisations. Students will be study various aspects of accounting practice, with a further emphasis at this higher level on the areas of management, commercial law as well as taxation.

Programme Learning Outcomes

At the end of the programme the learner will be able to:

- 1. Develop a range of higher level Key Skills in Communication, Analysis, Problem Solving and Critical Thinking.*
- 2. Develop knowledge and skills in planning, analysis and reporting, integration of financial and costing data, the preparation, analysis and reporting of financial data.*
- 3. Prepare participants for progression for degree study in an accounting discipline and/or professional accounting body qualification.*
- 4. Prepare participants to integrate financial and management accounting with relevant business taxation and in preparation for employment in accounting related posts such as accounting technicians, audit assistant, credit management officer.*

Entry Requirements

- MCAST Advanced Diploma in Accounting

Current Approved Programme Structure

Unit Title	ECVET/ECTS
Management Accounting: Budgeting	6
External Auditing	6
Management Accounting: Decision and Control	6
Credit Management	6
Financial Statements of Limited Companies	12
Management Accounting using Information Technology	12
Local Business Taxation	6
Local Personal Taxation	6
Fundamentals of Leadership and Management	12
Business Law	12
Quantitative Methods for Finance and Investments	6
Accounting Systems and Controls	6
Advanced Management Accounting Tools and Techniques	12
English	6
Applied IT Skills for Accounting Technicians	6
Total ECVET/ECTS	120

Management Accounting Budgeting

Unit level (MQF): 5

Credits: 6

Unit Description

This unit recognises the importance of financial planning in every organisation. Budgets are an essential tool for planning, co-ordinating, authorising and cost control. The unit is concerned with applying the knowledge of statistical techniques, standard costing and cost behaviour, which the learner would have already gained, to the creation of budgets.

You will learn to create appropriate forecasts and budgets for a range of activities and circumstances; to agree the budgets with functional managers; and to monitor actual results against budgets, triggering corrective actions by management where appropriate.

Learning Outcomes

On completion of this unit the learners will be able to

1. *Create and prepare accurate forecasts of income and expenditure.*
2. *Create, plan and prepare budgets.*
3. *Assess internal and external factors which may have an impact on budgets.*
4. *Apply budgetary control measures to improve organisational performance.*
5. *Present and report budgetary information to management in a clear, concise and appropriate format.*

External Auditing

Unit level (MQF): 5

Credits: 6

Unit Description

The purpose of this unit is to enable the learner to become familiar with and have an understanding of modern auditing practices under international auditing standards. It will build on previous accounting knowledge but show its importance in a wider legal sphere. The learner will develop competence in completing an external audit engagement under supervision.

Learning Outcomes

On completion of this unit the learners will be able to

1. *Understand the legal and professional framework in which external auditors Operate.*
2. *Understand the accounting and control systems of an organisation which are subject to an external audit.*
3. *Understand the auditing techniques and documentation necessary to accomplish the external auditor's duties under professional requirements.*
4. *Contribute to the planning of an external audit using a risk assessment based strategy.*
5. *Perform external auditing tasks.*
6. *Prepare draft reports.*

Management Accounting Decision and Control

Unit Level (MQF): 5

Credits: 6

Unit Description

The purpose of this unit is to develop the learner's understanding of the processes and techniques used by an organisation to improve and sustain its financial performance, over the short, medium and long term.

The unit will provide the learner with the skills required to collate and analyse relevant information in order that the financial performance of the organisation can be reported timely, and in appropriate formats to management.

The unit will enable the learner to understand how an organisation calculates the standard cost of production and how the establishment of standard cost facilitates the control of expenditure by comparing budgeted costs and actual costs, routinely and systemically, within the organisation.

This unit will also enable learners to use a range of techniques that will assist the planning process and which support the decision making of management within the organisation.

The unit will further enable learners to use ratio analysis techniques and other performance indicators to measure and compare an organisation's current performance with previous periods, and with that of its competitors.

The unit will enable the learner to recognise how to improve an organisation's financial performance by identifying how it might reduce costs, or increase profit margins, through the application of cost reduction and value enhancement techniques.

The unit will also enable the learner to prepare a number of key performance reports for management which will assist in evaluating the organisation's financial performance, for example, by reporting on whether actual expenditure is in line with budget, if the organisation's resources are being used efficiently and effectively, or if budgeted targets and profits are likely to be achieved.

Learning Outcomes

On completion of this unit the learners will be able to:

1. *Gather and record cost information from internal and external sources for analysis purposes.*
2. *Use relevant methods to manage the organisation's expenditure and measure its performance.*
3. *Make recommendations for improving organisational performance through evaluation of relevant information.*
4. *Prepare reports for management which accurately report the performance of an organization.*

Credit Management

Unit level (MQF): 5

Credits: 6

Unit Description

This unit is concerned with the management of receivables through efficient and effective credit control mechanisms - the granting of credit, the monitoring of customer accounts and effective collection of receivables. The unit will provide the opportunity for learners to develop their knowledge and understanding of the fundamental principles of credit management and control. It will enable learners to demonstrate and apply their understanding in granting and managing credit to customers as well as taking appropriate action in relation to the collection of receivables in accordance with relevant legislation, organisational policy and good practice.

The unit is designed to develop the learners' understanding of the basics of contract law and other relevant legislation on data protection, trade descriptions, unfair contract terms, and sale of goods. The unit is also designed to enable learners to select and use a range of tools when granting credit with reference to organisational policies and guidelines such as customer credit rating and scoring policies, guidelines on the assessment of credit worthiness of customers and potential customers.

The unit will also enable learners to accurately identify opportunities for the collection of receivables, evaluate the reason(s) for non-payment of receivables, have a detailed understanding of appropriate actions needed to aid the collection of debts (such as referral to others within the organisation), and understand the types of insolvency together with the impact they may have on the management and control of credit.

Learning Outcomes

On completion of this unit learners will be able to:

- 1. Understand the implications of relevant legislation upon an organisation's credit management and control function.*
- 2. Utilise information from different sources to grant credit to customers in accordance with organisational guidelines.*

3. *Understand credit control processes and a range of methods used for the collection of receivables.*
4. *Monitor and manage the supply of credit to customers.*

Financial Statements of Limited Companies

Unit level (MQF): 5

Credits: 12

Unit Description

Financial statements are prepared for limited companies to ensure that meaningful information is made available to a wide audience of external users. This would allow these users to make better informed choices with regards to their decision making.

On completion of the unit, learners should have attained a sufficient breadth of knowledge which is both complex and non-routine to encourage the development of a skill set which is immediately transferrable to the work place. During the unit, learners will be expected to demonstrate competencies within a professional context which relate to the treatment and impact of International Financial Reporting Standards (IFRSs), regulatory and conceptual frameworks.

Learners would be expected to prepare a statement of comprehensive income and statement of financial position for both single limited and consolidated organisations. They will also need to prepare a statement of cash flows as well as a range of other statutory notes.

Finally, learners should be able to exhibit competence in the analysis and interpretation of the financial statements using ratio analysis. A summary report should be presented in a format which includes a structured and coherent assessment of an organisations performance together with suitable key recommendations.

Learning Outcomes

On completion of this unit the student will be able to:

1. *Understand and apply the regulatory and conceptual frameworks to produce financial statements suitable for publication.*
2. *Understand the main aspects of a published set of financial statements.*
3. *Prepare published financial statements for a limited company.*
4. *Prepare consolidated financial statements.*
5. *Evaluate the financial statements using ratio analysis.*

Management Accounting using Information Technology

Unit level (MQF): 5

Credits: 12

Unit Description

This unit will show that management accounting is designed to provide managers with information which will enable them to plan, control and make decisions in order to meet the objectives of the organization. It will also demonstrate how the use of information technology can save time, increase the accuracy and allow easy manipulation of accounting information across a range of different scenarios. It is primarily a management accounting unit which utilizes a spreadsheet package and word processing package for presentation of management accounting information. It is important that the spreadsheet formulae are created to allow manipulation of the data to reflect changes in management decision making.

Budgeting is at the core of the planning process and learners will be required to build up a set of functional budgets, receivables, payables and a cash budget and a master budget to show the financial outcome for a new product. They will also be required to manipulate the data to show the outcome for changes in the original input data.

Budgets are not stand alone and must be regularly compared with actual data to identify variances at the earliest possible stage in order to take corrective action as soon as discrepancies are identified. The budgets must be flexed to actual output and compared with actual data to calculate variances. A written report with suggested reasons for variances must be produced.

Break-even analysis is an important planning tool, and it also demonstrates the difference in the cost behaviors of fixed and variable costs. Break-even statements will be produced showing the contribution, break-even point, margin of safety, the profit for a given situation, and the impact of changes across a given number of scenarios. Learners will also be expected to produce break-even results in graphical form and make recommendations suitable for management based on the profits achieved.

The outcome of financial statements can vary depending on the Costing System used. Learners will be required to draw up profit statements using both Marginal and Absorption Costing, reconcile profits and inventory levels and produce a written report highlighting the differences between the two methods.

Learning Outcomes

On completion of this unit the learners will be able to

1. *Understand the importance of budgets for planning and control and prepare a budget statement.*
2. *Prepare a budgetary control statement and calculate and explain a range of variances.*
3. *Prepare break-even calculations and graphs to aid decision making.*
4. *Prepare and explain the difference between a marginal costing profit statement and an absorption costing profit statement.*

Local Business Taxation

Unit level (MQF): 5

Credits: 6

Unit Description

Taxation is a consideration which businesses should be aware of while operating, financing and managing business risks. This unit will highlight the importance of taxation in the business world and provide learners with a wide perspective of the subject from a business outlook. Commercial transactions can be approached and analysed from a tax perspective and as a result the unit motivates the development of knowledge and skill relating to the Maltese tax system as applicable to business in general.

The salient features of the Maltese tax system shall be introduced based on a direct reference to the Maltese legislative framework. Prominence is given to Income Tax, however, the course also encapsulates a general introduction to Value Added Tax and Duty on documents and transfers. The unit seeks to set a step by step approach by introducing the basics of taxation, builds on the fundamentals and delves into the essential details and their use in the day to day practice, emphasizing on the corporate and group perspective of taxation.

The main aim of the unit is to ensure that awareness is provided on the wide tax implications surrounding business transactions and the role of managing such risks through the understanding of taxation principles and their applicability thereof. The identification of tax issues and their implications enables management to take informed commercial decisions.

Learners are also provided with the core theoretical aspects and are expected to develop technical knowledge on the implementation of the underlying principles as they affect businesses. Having covered an extensive taxation background, learners would be able to demonstrate their learning through explaining taxation principles and basis of tax calculations, quantify the tax liabilities and understand the compliance issues associated therewith.

This unit provides the legal background of taxation from a commercial view point and equips individuals wishing to expand their business competencies with the necessary core tax tools.

Learning Outcomes

On completion of this unit the learners will be able to:

- 1 *Understand income tax theory, concepts and their applicability in business contexts.*
- 2 *Quantify income tax liabilities in relation to business transactions.*
- 3 *Understand and explain the principles of Values Added Tax and Duty on documents and transfers in relation to business transactions and the compliance thereof.*
- 4 *Analyse and report on the tax implications of business transactions including taxation risks and their management.*

Local Personal Taxation

Unit level (MQF): 5

Credits: 6

Unit Description

This unit is designed to introduce learners to the basic concepts of Personal Income Tax by exploring the tax implications of income from different sources. Primarily, the unit provides an overview of the Maltese Income tax system. This includes tax year procedures involved in self-assessment, including the completion and submission of tax returns, procedures relating to enquiries by the Commissioner of Inland Revenue, appeals and disputes and penalties for non-compliance. In addition, it also considers the general administration of the Final Settlement System (FSS) of collecting taxes from those who are employed, including the basis of assessment, tax codes, the operation of the FSS system and FSS forms.

The unit focuses upon the final tax liability of an individual who is in receipt of income from a variety of sources and also addresses the tax implications of those who are in receipt of benefits in kind. As a result, following completion of this unit, learners will be able to calculate the taxable income of an employed individual, including the amount of Class 1 Social Security Contributions and apply part-time rules to employment income. When calculating the amount of income tax due on the income of an employed individual different types of income are considered, together with the amount of maintenance allowance and other deductions which may be claimed. Furthermore, the treatment of income which has been subject to a final withholding tax and the amount assessable when pensions, charges, annuities and other annual payments are received are also considered.

Learning Outcomes

On completion of this unit the student will be able to

1. *Provide an overview of the Maltese Income Tax system.*
2. *Explain the Final Settlement System (FSS).*
3. *Calculate the taxable income of an employed individual.*
4. *Calculate the Income Tax due on the income of an employed individual with other sources of income.*

Fundamentals of Leadership and Management

Unit Level (MQF): 5

Credits: 12

Unit Description

Effective management is fundamental to the success of any organisation. An understanding of the different types of organisational structure, and the ability to analyse an individual's own organisation and an individual's place within it are therefore critical to an individual's ability to manage effectively.

This module focuses on the principles of management, in terms of the management of people, systems and self. It also identifies the importance of management skills in the strategic context, personal skills for the delivery of quality customer service and the increasing importance of organisations operating in a socially responsible manner.

The syllabus topics have been chosen to develop the student's knowledge and understanding of organisational structures and theories, institutional management issues and their importance for effective management within the workplace. The module also allows students to appreciate the importance of effective organisational management when dealing with customers and other external stakeholders.

Learning Outcomes

On completion of this unit the student will be able to:

- 1. Ensure an adequate level of management skills in order to boost personal performance over time.*
- 2. Evaluate the features of selected management and leadership styles, the theories of group operations, motivation and theory to ensure a high level of effective management.*
- 3. Outline the legal background of employing staff, together with the procedures and systems involved in their recruitment for long-term development.*
- 4. Apply different structures of organisation and related theories according to the specific corporate culture.*
- 5. Demonstrate a broad understanding of the strategic importance of management skills at individual, team and institutional levels for a better socially responsible organisation.*
- 6. Evaluate the external environment and its key stakeholders.*

Business Law

Unit level (MQF): 5

Credits: 12

Unit Description

This unit is designed for those who are not specifically studying a Law Course to be able to acquire and understand the basic requirements of commercial transactions, the formation of legally binding agreements, the legal relationship that exists between businesses and the legal rules that govern business and commercial transactions. This Unit will also provide a familiarity and underpinning knowledge of the main areas of substantive law in this area and give a broad understanding of both the commercial purpose and the operation of the areas of business law under consideration.

Learners undertaking this Unit will also be provided with foundation knowledge on the business organisations that exist within a legal context and the distinctions that exist between those different bodies and organisations in terms of their legal obligations, civil and legal responsibilities and duties. It is of benefit for any learner undertaking a study of business law to include an appreciation and understanding of both the advantages and disadvantages of the different forms of business organisations that exist. Within this Unit students will be provided with a broad understanding of the general legal controls, regulations and provisions relating to the management of those business organisations. Learners will also undertake a broad introduction into the implications, legal authority and liabilities of Partners and Company members entering into contractual arrangements for and on behalf of their businesses. Included within this area of study will be an appreciation of the common forms of corporate finance including corporate insolvency and forms of corporate recovery concluding with a study of the principles of corporate governance and the necessity of fraud prevention. Undertaking this Unit in Business Law will allow a learner to place particular focus upon the legal relationship that exists between legal entities and business organisations and is ideal for anyone planning a further career across a wide range of professional areas including accounting and finance.

The assessment of this Unit will encourage and promote communication skills as well as appropriate levels of analytical, problem solving and research skills. The subjects covered within the Unit will develop an understanding of how to recognise, analyse and, where possible, avoid many of the common contractual issues that are often addressed throughout the course of common business negotiations and transactions. Learners will also be encouraged to develop appropriately levelled skills in forming

essential core knowledge to allow an understanding of these issues and a demonstrated ability to respond to appropriate legal advice.

This Unit will address core vocational business skills and awareness that is relevant not only within the context of the Maltese legal system but also with national and international partners. This Unit will provide a core grounding in the legal rules governing commercial agreements and an awareness and understanding of both the liability and accountability of those involved in commercial negotiations, transactions and business organisations. As part of the essential transferable knowledge and skills for any student undertaking a study of business, there will be a core comprehensive outline of the legal obligations and relationships within employment law. Learners will consider the basic relationships that exist within employer employee relationships including the rights and obligations that exist within typical employment situations including dismissal and redundancy. An understanding will be gained of the necessities of appropriate corporate regulation and financial management to promote corporate sustainability and to prevent fraud and where necessary, understand the legal rules on insolvency and corporate recovery.

Learning Outcomes

On completion of this unit the student will be able to

1. *Understand and explain the main sources of Business Law.*
2. *Understand and explain the rules for the formation of contracts as legally binding agreements, including the breach and termination of such agreements and any subsequent legal remedies.*
3. *Understand and explain the legal characteristics of the various common forms of business organisations.*
4. *Understand and explain the common forms of corporate finance including the distribution of share dividends.*
5. *Understand and explain the role, responsibilities and obligations of company officers and the purpose and legal requirements of company meetings.*
6. *Understand and explain corporate insolvency and current forms of corporate recovery.*
7. *Understand, explain and apply the principle of corporate governance and the necessity of fraud prevention.*
8. *Understand, explain and apply current Labour law including the statutory requirements of the workplace regarding dismissal and redundancy.*

Quantitative Methods for Finance and Investments

Unit Level (MQF): 5

Unit Credits: 6

Unit Description

This module provides students with an understanding of the quantitative methods for finance and investment at an introductory level. This includes the ability to formulate problems into quantitative models, to aid the successful resolution of the problem. Students will learn how to apply statistical methods to analyse past data and infer future trends. Using output from mathematical and statistical models, students will learn to analyse, interpret and derive potential outcomes from quantitative information.

Upon completion of this module students will be able to demonstrate an understanding of applying quantitative techniques to a range of problems in the accounting, finance and investment environment. Students will also be able to communicate the results of quantitative analyses in the contexts of accounting, finance and investment, to both specialists and non-specialists, recognising any limitations of the underlying models.

Learning Outcomes

On completion of this unit, the learner will be able to:

1. *Understand basic mathematical concepts.*
2. *Collect and present data using methods that are appropriate within a business context.*
3. *Summarise statistical data using appropriate methods.*
4. *Use index numbers within a business context.*
5. *Understand the principles of probability and its link to risk.*
6. *Apply the concepts financial mathematics in a business context.*
7. *Use statistical methods to analyse past data and infer future trends.*

Accounting Systems and Control

Unit level (MQF): 5

Credits: 6

Unit Description

This unit - Internal Controls and Accounting Systems (ISYS) - draws on the knowledge and skills developed by the student in preceding units. ISYS is not a taught subject and as such, the student is expected to manage the overall process from inception to completion. The AAT tutor is expected to act only in an advisory capacity, giving appropriate guidance throughout the process.

Students will be expected to acknowledge elements of sustainability, ethics, internal controls and fraud prevention.

The main aim of the unit is to ensure students are aware of the role of accounting in a business environment. Students will be expected to identify a weakness in the accounting system (either in their place of employment or a simulation provided by AAT). They are then expected to provide a solution to the problem and make recommendations. Any recommendations should consider and be sensitive to the impact on users of the system, ethical and sustainability considerations, and the cost - benefit to the organisation.

Learning Outcomes

On completion of this unit the learners will be able to

1. *Recognise the purposes of an accounting system.*
2. *Know the need for rigorous internal controls.*
3. *Identify how to resolve weaknesses in the accounting system.*
4. *Consider ethical implications on an accounting system.*
5. *Ensure the accounting system is fit for purpose in the long term.*
6. *Prepare a report which outlines improvements and recommendations to the accounting system.*

Advanced Management Accounting Tools and Techniques

Unit Level (MQF): 5

Unit Credits: 12

Unit Description

This unit builds upon two other management accounting units entitled Management Accounting: Budgeting and Management Accounting: Decision and Control. Therefore, following the completion of this unit, students will gain an understanding and be able to apply a range of advanced management accounting tools and techniques, so that financial and non-financial information can be collected, recorded and reported for the purposes managerial planning, control and decision making.

The unit starts off by considering how advanced management accounting tools and techniques can be used to solve business problems. Such tools and techniques include the use of throughput accounting, environmental accounting, advanced cost-volume-profit (CVP) analysis, dealing with multiple scarce resource problems, pricing decisions and business situations giving rise to risk and uncertainty. Consequently, advanced budgeting and variances techniques are covered so that students will be able to prepare the necessary accounting information that may be used by management for organisational planning and control.

Finally, the performance measurement systems that may be implemented within organisations are considered. This includes the different types of management information systems and concepts relating to the generation of management information. In addition, performance analysis for private sector, not-for-profit and public sector organisations is also considered, together with divisional performance and transfer pricing.

Learning Outcomes

On completion of this unit, the learner will be able to:

1. *Apply advanced management accounting tools and techniques to solve business problems.*
2. *Prepare management accounting information for planning and control.*
3. *Analyse an organisation's performance measurement systems.*