

APPENDIX PROPOSED PRE-CERTIFICATION EDUCATIONAL GOALS

WHAT GRADUATES SHOULD KNOW

A. Prerequisite knowledge

1. Computer user skills, including business software (e.g., word processing, spreadsheet, database)
2. General business concepts and operations
3. General business communication and comprehension

B. Requisite knowledge

1. Accounting concepts, including:
 - a. Financial statements and note disclosures
 - b. The effects of debits and credits on account balances
 - c. Account analysis
 - d. Ratio analysis
 - e. Accounting standards (GAAP) and standard-setters (SEC/FASB, GASB, FASAB, IASB)
2. Transaction-processing cycles and the control environment, including computer-based information system controls
3. Auditing concepts, including:
 - a. Professional skepticism
 - b. Auditing standards (GAAS)
 - c. Professional and regulatory bodies (ASB, SEC/PCAOB, IAASB, GAO)
 - d. Types of audit evidence
4. Business and accounting ethics
5. Fraud detection and deterrence
6. Business law and laws related to fraud
7. Tax concepts, including:
 - a. Federal income tax
 - b. State and local income tax
 - c. Gift and estate tax
 - d. Payroll taxes
 - e. Sales and use taxes
8. Government and not-for-profit accounting
9. Management accounting
10. Finance concepts

WHAT GRADUATES SHOULD BE ABLE TO DO

A. Prerequisite skills and abilities

1. Use of general business software, including word processing, spreadsheets, databases
2. Explain and apply basic financial, human resource, economic, marketing, and operations management concepts and techniques
3. Utilize written and oral communications; demonstrate comprehension of instructions and information

B. Requisite skills and abilities

1. Accounting procedures:
 - a. Prepare financial statements and note disclosures
 - b. Analyze the effects of simple transactions on account balances
 - c. Analyze account balances for over- or understatements
 - d. Calculate key financial ratios and interpret the results
 - e. Explain the roles and responsibilities of the different standards-setters and apply appropriate generally accepted accounting principles
2. Transaction-processing cycles and the control environment:
 - a. Develop a flow chart to explain operational processes
 - b. Identify potential weaknesses in a company's internal control structure including computer information systems controls
 - c. Evaluate corporate governance and culture
3. Auditing procedures:
 - a. Critically evaluate statements or representations made by management and others
 - b. Apply appropriate current auditing standards
 - c. Explain the roles and responsibilities of standards-setting, professional, and regulatory bodies
 - d. Compare the quality of different types of audit evidentiary matter
4. Identify potential violations of ethical behavior from a case scenario
5. Fraud detection and deterrence:
 - a. Define the elements of fraud
 - b. Recognize the ways in which fraud is committed
 - c. Examine a fact pattern to identify a potentially fraudulent situation and the three components of the fraud triangle
 - d. Use a fact pattern and identify ways to prevent the fraud from being committed
6. Business law and laws related to fraud:
 - a. Explain the fundamental legal principles associated with contracts, civil and criminal matters, social goals associated with the legal system, and the role of the justice system
 - b. Recognize and explain the advantages and disadvantages of the different forms of business organization
 - c. Compare and contrast the ethical duties and legal responsibilities associated with confidentiality
 - d. Identify legal restrictions, privacy laws, and rights of individuals on gathering evidence of embezzlement, money laundering, etc.
7. Basic tax law:
 - a. Critically evaluate and apply current federal income tax laws for individuals and businesses
 - b. Compare and apply current state and local income tax laws for individuals and businesses
 - c. Apply financial planning concepts to current gift and estate tax laws
 - d. Calculate payroll taxes for a specific case scenario
 - e. Calculate sales and use taxes for a specific case scenario
8. Government and not-for-profit accounting
 - a. Analyze the differences between financial reporting for a business enterprise and a government or not-for-profit entity
 - b. Prepare financial statement for a governmental and a not-for-profit organization by applying appropriate accounting concepts
9. Management accounting
 - a. Critically evaluate data to support decision-making
 - b. Analyze expenses to reduce a company's costs and improve profitability
10. Finance
 - a. Calculate the time-value of money
 - b. Analyze debt versus equity business financing decisions
 - c. Evaluate investment opportunities using discounted cash flow, net present value, and risk analysis