

**SPECIFIC GUIDANCE OF CAF EXAMINATION AND STUDY MATERIAL FOR
AUTUMN 2024**

March 20, 2024

EXAMS GUIDANCE

All topics shall be examined at the testing level mentioned against each corresponding learning outcomes.

CAF-1 Financial Accounting & Reporting I

Reference	Issue	Guidance
Chapter 6: Correction of errors Chapter 12: Interpretation of financial statements	Treatment of Settlement Discount	The Settlement discount will be treated as a deduction from cost of asset (Property, plant and equipment and inventory), instead of recognising it as other income.
Chapter 12: Interpretation of financial statements	Interpretation of various ratios	In examination the level of interpretation would be matching to the material included in the study text of CAF-1.

CAF-3 Cost & Management Accounting

Reference	Issue	Guidance
Chapter 6: Cash flow in production	In comprehensive examples 2 and 3 integration of Financial and costing accounts are tested. Are they part of the syllabus?	The topic is not examinable. The examples have been deleted from the study text uploaded on the website.

CAF-5 Financial Accounting & Reporting II

Reference	Issue	Guidance
Chapter 04: Revenue from contracts with customers Study Text	Level of Examination in Chapter 04 IFRS 15 Revenue from contracts with customers	The difficulty level of examination questions would match to the discussion and questions covered in study text.
Chapter 04: Revenue from contracts with customers Study Text	Practical implications given in the IFRS Handbook of the concepts discussed in the Chapter 04 of Study Text	The practical implications given in IFRS 15 of the concepts discussed in the Chapter 04 of Study Text have been explained in IFRS 15 by means of 63 examples attached to the IFRS 15. However, there are a number of scenarios and complexities discussed in these examples, which are not compatible with the learning outcomes and required pitch of the examination at CAF 5 level. Therefore, for the

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		<p>purpose of clarification, it is informed that due to the above reason, the following examples given in IFRS 15 in the IFRS Handbook 2022 are not examinable in CAF 5:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 5px;">Example No. and Description</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <p>IDENTIFYING THE CONTRACT</p> <p>Example 1—Collectability of the consideration</p> <p>Example 2—Consideration is not the stated price—implicit price concession</p> <p>Example 3—Implicit price concession</p> <p>Example 4—Reassessing the criteria for identifying a contract</p> <p>CONTRACT MODIFICATIONS</p> <p>Example 6—Change in the transaction price after a contract modification</p> <p>Example 7—Modification of a services contract</p> <p>Example 8—Modification resulting in a cumulative catch-up adjustment to revenue</p> <p>Example 9—Unapproved change in scope and price</p> <p>IDENTIFYING PERFORMANCE OBLIGATIONS</p> <p>Example 10—Goods and services are not distinct</p> <p>Example 11—Determining whether goods or services are distinct</p> <p>Example 12—Explicit and implicit promises in a contract</p> <p>PERFORMANCE OBLIGATIONS SATISFIED OVER TIME</p> <p>Example 14—Assessing alternative use and right to payment</p> <p>Example 15—Asset has no alternative use to the entity</p> <p>Example 16—Enforceable right to payment for performance completed to date</p> <p>MEASURING PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION</p> <p>Example 19—Uninstalled materials</p> <p>VARIABLE CONSIDERATION</p> <p>Example 21—Estimating variable consideration</p> </td> </tr> </tbody> </table>	Example No. and Description	<p>IDENTIFYING THE CONTRACT</p> <p>Example 1—Collectability of the consideration</p> <p>Example 2—Consideration is not the stated price—implicit price concession</p> <p>Example 3—Implicit price concession</p> <p>Example 4—Reassessing the criteria for identifying a contract</p> <p>CONTRACT MODIFICATIONS</p> <p>Example 6—Change in the transaction price after a contract modification</p> <p>Example 7—Modification of a services contract</p> <p>Example 8—Modification resulting in a cumulative catch-up adjustment to revenue</p> <p>Example 9—Unapproved change in scope and price</p> <p>IDENTIFYING PERFORMANCE OBLIGATIONS</p> <p>Example 10—Goods and services are not distinct</p> <p>Example 11—Determining whether goods or services are distinct</p> <p>Example 12—Explicit and implicit promises in a contract</p> <p>PERFORMANCE OBLIGATIONS SATISFIED OVER TIME</p> <p>Example 14—Assessing alternative use and right to payment</p> <p>Example 15—Asset has no alternative use to the entity</p> <p>Example 16—Enforceable right to payment for performance completed to date</p> <p>MEASURING PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION</p> <p>Example 19—Uninstalled materials</p> <p>VARIABLE CONSIDERATION</p> <p>Example 21—Estimating variable consideration</p>
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		<p>CONSTRAINING ESTIMATES OF VARIABLE CONSIDERATION</p> <p>Example 23—Price concessions</p> <p>Example 25—Management fees subject to the constraint</p> <p>THE EXISTENCE OF A SIGNIFICANT FINANCING COMPONENT IN THE CONTRACT</p> <p>Example 27—Withheld payments on a long-term contract</p> <p>Example 28—Determining the discount rate</p> <p>Example 30—Advance payment</p> <p>ALLOCATING THE TRANSACTION PRICE TO PERFORMANCE OBLIGATIONS</p> <p>Example 35—Allocation of variable consideration</p> <p>CONTRACT COSTS</p> <p>Example 37—Costs that give rise to an asset</p> <p>DISCLOSURE</p> <p>Example 41—Disaggregation of revenue—quantitative disclosure</p> <p>Example 42—Disclosure of the transaction price allocated to the remaining performance obligations</p> <p>Example 43—Disclosure of the transaction price allocated to the remaining performance obligations—qualitative disclosure</p> <p>WARRANTIES</p> <p>Example 44—Warranties</p> <p>PRINCIPAL VERSUS AGENT CONSIDERATIONS</p> <p>Example 45—Arranging for the provision of goods or services (entity is an agent)</p> <p>Example 46—Promise to provide goods or services (entity is a principal)</p> <p>Example 47—Promise to provide goods or services (entity is a principal)</p> <p>Example 48—Arranging for the provision of goods or services (entity is an agent)</p> <p>CUSTOMER OPTIONS FOR ADDITIONAL GOODS OR SERVICES</p> <p>Example 50—Option that does not provide the customer with a material right (additional goods or services)</p>
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		<p>Example 51—Option that provides the customer with a material right (renewal option)</p> <p>NON-REFUNDABLE UPFRONT FEES</p> <p>Example 53—Non-refundable upfront fee</p> <p>LICENSING</p> <p>Example 54—Right to use intellectual property</p> <p>Example 55—Licence of intellectual property</p> <p>Example 56—Identifying a distinct licence</p> <p>Example 57—Franchise rights</p> <p>Example 58—Access to intellectual property</p> <p>Example 59—Right to use intellectual property</p> <p>Example 60—Access to intellectual property</p> <p>Example 61—Access to intellectual property</p> <p>REPURCHASE AGREEMENTS</p> <p>Example 62—Repurchase agreements</p>
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CAF-6 Managerial and Financial Analysis

Reference	Issue	Guidance
Chapter 5: Technological disruption and business environment	Are Case Studies on effects of disruption in major industries examinable?	The topic is not examinable.
Chapter 10: Sources of Finance	Is the following topic examinable? “Direct and indirect investment” may be eliminated.	The topic is not examinable.
Chapter 11: Cost of Finance	Is the topic Yield curve examinable?	The topic is examinable.
Chapter 12: Identifying and Assessing Risk	Is the topic Risk Management Framework: ISO 31000 examinable?	The topic is not examinable.
Chapter 14: Budgeting	Is the topic flexed budgets examinable?	The topic is not examinable. However, it should not be confused with flexible budget which is examinable.
Chapter 13: Financial Risk Management	Is the topic indirect quote examinable as tested in Example on page 224?	The topic is not examinable. The topic has been deleted from the study text uploaded on the website.
Chapter 16: Introduction to Project Appraisal	Is the topic of Sinking Fund examinable?	The topic is examinable.

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Chapter 16: Introduction to Project Appraisal	Is the topic of Application of Annuity (Equivalent Annual Cost) examinable?	The topic is examinable.
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