BCS Professional Certificate in Business Finance
Syllabus

Version 1.2
December 2016

This professional certification is not regulated by the following United Kingdom Regulators - Ofqual, Qualification in Wales, CCEA or SQA
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Change History

Any changes made to the syllabus shall be clearly documented with a change history log. This shall include the latest version number, date of the amendment and changes made. The purpose is to identify quickly what changes have been made.
<table>
<thead>
<tr>
<th>Version Number</th>
<th>Changes Made</th>
</tr>
</thead>
<tbody>
<tr>
<td>Version 1.2</td>
<td>Strapline regarding regulated statement has been added</td>
</tr>
<tr>
<td>December 2016</td>
<td></td>
</tr>
<tr>
<td>Version 1.1</td>
<td>Pass mark updated</td>
</tr>
<tr>
<td>July 2016</td>
<td></td>
</tr>
<tr>
<td>Version 1.0</td>
<td>Syllabus created</td>
</tr>
<tr>
<td>October 2015</td>
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</tbody>
</table>
Introduction

The BCS Professional Certificate in Business Finance assesses competence with regard to the concepts and techniques applied in financial management and reporting. This syllabus includes some topics that are introduced in the BCS Foundation Certificate in Commercial Awareness. Their inclusion in this professional certification is to ensure there is complete coverage of the subjects that are fundamental to an understanding of business finance. However, the examination leading to the BCS Professional Certificate in Business Finance will assess candidates using complex multiple-choice questions that require a deeper level of understanding and a demonstrable ability to apply the concepts and techniques to a given scenario.

Assessment Objectives

The examination leading to the BCS Professional Certificate in Business Finance has the following assessment objectives.

Candidates must be able to demonstrate that they can:

- Explain sources of finance and financial vocabulary
- Interpret financial documents: statement of financial position, income statement, statement of cash flows
- Explain the difference between cash and profit
- Construct and interpret a cash flow forecast
- Define the contents of a business case
- Classify costs and benefits for inclusion in a business case
- Undertake an investment appraisal
- Calculate the weighted average cost of capital
- Understand the difference between investment appraisal techniques
- Explain the characteristics and concepts of budgeting
- Calculate a flexed budget
- State the different categories of cost
- Undertake costing calculations using different costing approaches: marginal costing, full costing; job costing; activity based costing
- Use financial ratios to evaluate supplier financial stability
- Interpret financial ratios
- State the application and limitations of financial ratios
- Explain the depreciation of assets
- Explain the differences between financing and leasing
- Define the financial characteristics of outsourcing
- State the contents of an outsourcing financial case

Target Audience

This certification is relevant for anyone wishing to further their understanding of business finance. The module takes a wide-ranging, holistic view of finance and considers how it applies within a business change project context. The certification will be of benefit to business analysts, project managers and business architects.
Eligibility for the Examination

There are no pre-requisites for sitting this examination although candidates should be prepared to be assessed in line with the objectives listed in the previous section. While not compulsory, it is recommended that candidates attend a BCS accredited training course.

Duration and Format of the Examination

The format for the examination is a 90 minute examination. It consists of 40 multiple choice questions. The examination is closed book i.e. no materials can be taken into the examination room. The pass mark is 26/40 (65%).

Additional time for candidates requiring Reasonable Adjustments

Candidates may request additional time if they require reasonable adjustments. Please refer to the reasonable adjustments policy for detailed information on how and when to apply.

Additional time for candidates whose native language is not that of the examination

If the examination is taken in a language that is not the candidate’s native / official language then they are entitled to 25% extra time.

If the examination is taken in a language that is not the candidate’s native / official language then they are entitled to use their own paper language dictionary (whose purpose is translation between the examination language and another national language) during the examination. Electronic versions of dictionaries will not be allowed into the examination room.

Calculators

Simple non-programmable calculators can be used during paper based examinations (to be provided by the candidate). Candidates taking on-line examinations will have access to an on screen calculator. No other calculators or mobile technology will be allowed.
### Format of the Examination

<table>
<thead>
<tr>
<th>Type</th>
<th>40 multiple choice questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duration</td>
<td>1 Hour and 30 Minutes. Candidates are entitled to an additional 23 minutes if they are sitting an examination in a language that is not their native/official language.</td>
</tr>
<tr>
<td>Example Question</td>
<td>A company currently has $6m of equity and $2m of debt. The ‘cost of equity’ is 12%. The company uses a discount rate of 10% for its investment appraisals, which represents its weighted average cost of capital. The discount rate of 10% represents the weighted average cost of capital. What is the company’s percentage cost of debt?</td>
</tr>
</tbody>
</table>
|                    | A. 8%  
|                    | B. 6%  
|                    | C. 4%  
|                    | D. 2%  |
| Pre-requisites     | Accredited training is strongly recommended but is not a pre-requisite |
| Supervised         | Yes |
| Open Book          | No |
| Pass Mark          | 26/40 (65%) |
| Distinction Mark   | None |
| Calculators        | Calculators may be used during this examination |
| Delivery           | Paper-based examination |
Syllabus

For each top-level area of the syllabus a percentage and K level is identified. The percentage is the exam coverage of that area, and the K level identifies the maximum level of knowledge that may be examined for that area.

1. **Finance in the project lifecycle (10%, K4)**
   
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   1.2 The purpose of business: trading status, sources of finance and financial vocabulary
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   3.3 Payback and risk
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7.1 Depreciation of assets: straight-line and reducing balance
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7.7 Outsourcing: building an outsourcing financial case
Levels of Knowledge / SFIA Levels / Blooms

This course will provide candidates with the levels of difficulty / knowledge skill highlighted within the following table, enabling them to develop the skills to operate at the levels of responsibility indicated. The levels of knowledge and SFIA levels are explained in on the website www.bcs.org/levels. The levels of knowledge above will enable candidates to develop the following levels of skill to be able to operate at the following levels of responsibility (as defined within the SFIA framework) within their workplace:

<table>
<thead>
<tr>
<th>Level</th>
<th>Levels of Knowledge</th>
<th>Levels of Skill and Responsibility (SFIA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>K7</td>
<td></td>
<td>Set strategy, inspire and mobilise</td>
</tr>
<tr>
<td>K6</td>
<td>Evaluate</td>
<td>Initiate and influence</td>
</tr>
<tr>
<td>K5</td>
<td>Synthesise</td>
<td>Ensure and advise</td>
</tr>
<tr>
<td>K4</td>
<td>Analyse</td>
<td>Enable</td>
</tr>
<tr>
<td>K3</td>
<td>Apply</td>
<td>Apply</td>
</tr>
<tr>
<td>K2</td>
<td>Understand</td>
<td>Assist</td>
</tr>
<tr>
<td>K1</td>
<td>Remember</td>
<td>Follow</td>
</tr>
</tbody>
</table>

Question Weighting

<table>
<thead>
<tr>
<th>Syllabus Area</th>
<th>Target number of questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – Finance In Project Lifecycle</td>
<td>4 (10%)</td>
</tr>
<tr>
<td>2 – Developing the Business Case</td>
<td>4 (10%)</td>
</tr>
<tr>
<td>3 – Constructing the Financial Case</td>
<td>8 (20%)</td>
</tr>
<tr>
<td>4 – Budgets and Budgeting</td>
<td>4 (10%)</td>
</tr>
<tr>
<td>5 – Costs and Cost Behaviour</td>
<td>8 (20%)</td>
</tr>
<tr>
<td>6 – Evaluating Supplier Financial Stability</td>
<td>8 (20%)</td>
</tr>
<tr>
<td>7 – Financing Service Delivery</td>
<td>4 (10%)</td>
</tr>
<tr>
<td>Total</td>
<td>40 Questions</td>
</tr>
</tbody>
</table>

Recommended Reading List

<table>
<thead>
<tr>
<th>Title</th>
<th>Author</th>
<th>Publisher</th>
<th>Publication Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance for IT Decision Makers (3rd Edition)</td>
<td>Blackstaff, Michael.</td>
<td>BCS, Learning and Development Limited</td>
<td>2012</td>
</tr>
</tbody>
</table>