

Topics of SOCPA Exam

Saudi Organization for Chartered and
Professional Accountants - SOCPA

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Topics of Financial Accounting Exam

Main topics and their weightings in exam questions

	Main topics	The percentage	
		Minimum	Maximum
1	Conceptual framework of financial reporting and accounting cycle	5%	15%
2	Measurement, presentation and disclosure of main financial statement elements	45%	65%
3	Measurement, presentation and disclosure of selected events, circumstances and transactions affecting financial position and results of operations	25%	45%

1 Conceptual framework of financial reporting and accounting cycle

- 1.1 Conceptual framework of financial reporting.
 - 1.1.1 Objective of financial reporting.
 - 1.1.2 Users of financial statements.
 - 1.1.3 The nature of the information produced by financial accounting.
 - 1.1.4 Objective of financial statements.
 - 1.1.5 Qualitative characteristics of useful financial information.
 - 1.1.6 Going concern assumption.
 - 1.1.7 Definition, recognition and measurement of the elements of financial statements.
 - 1.1.8 Capital concepts and capital maintenance.
 - 1.1.9 First-time Adoption of IFRS.
 - 1.1.10 Presentation of financial statements.

Topics of Financial Accounting Exam

- 1.2 Accounting cycle.
 - 1.2.1 Double-entry concept.
 - 1.2.2 Journals and ledgers.
 - 1.2.3 Analyzing, journalizing (recording), and posting the financial transactions.
 - 1.2.4 Preparing trial balance.
 - 1.2.5 Preparing financial statements.
 - 1.2.6 Closing the accounts.

2 The measurement, disclosure and presentation of the main financial statements elements (components)

- 2.1 Cash and cash flow statement.
- 2.2 Financial instruments.
- 2.3 Accounts receivable and notes receivable.
- 2.4 Inventory.
- 2.5 Property, plant and equipment.
- 2.6 Investment properties.
- 2.7 Intangible assets.
- 2.8 Non-current assets held for sale and discontinued operations.
- 2.9 Leases.
- 2.10 Current liabilities.
- 2.11 Provisions, contingent liabilities and contingent assets.
- 2.12 Deferred accounts.
- 2.13 Non-current liabilities.
- 2.14 Shareholders' equity.

Topics of Financial Accounting Exam

2.15 Revenue from contracts with customers.

2.16 Zakat and income tax.

3 The measurement, disclosure and presentation of some events, circumstances and transactions that impact the balance sheet and transactions results

3.1 Accounting policies and changes in accounting estimates and errors.

3.2 Subsequent events (events after the reporting period).

3.3 Related party disclosures.

3.4 Earnings per share.

3.5 Share-based payments.

3.6 Employee benefits.

3.7 Accounting and reporting for retirement benefits plans.

3.8 Financial reporting in hyperinflationary economies.

3.9 Entity branches and departments.

3.10 Changes in foreign currency exchange rates.

3.11 Consolidated financial statements.

3.12 Joint arrangements.

3.13 Business combinations.

3.14 Disclosure of interests in other entities.

3.15 Separate financial statements.

3.16 Investments in associates and joint ventures.

3.17 Interim financial reporting.

3.18 Operating segments.

3.19 Impairment of assets.

3.20 Borrowing costs.



Topics of Financial Accounting Exam

- 3.21 Fair value measurement.
- 3.22 Accounting for agriculture.
- 3.23 Accounting for insurance contracts.
- 3.24 Accounting for government grants.
- 3.25 Accounting for exploration and evaluation for mineral resources.
- 3.26 Accounting for small and medium-sized entities (SMEs).
- 3.27 Interpretations approved by SOCPA.

Topics of Management and Government Exam

Main topics and their weightings in exam questions

Main topics		The percentage	
		Minimum	Maximum
1	Cost accounting	25%	45%
2	Management accounting	26%	45%
3	Accounting in government units	20%	25%
4	Non-profit entities	4%	10%

1 Cost accounting

- 1.1 Objectives and areas of cost accounting and management accounting.
- 1.2 Cost concepts and cost classifications.
- 1.3 Measuring production costs and various cost theories.
- 1.4 Job order costing system.
- 1.5 Process costing system.
- 1.6 Contracts and operations costing system.
- 1.7 Joint costs system.
- 1.8 Just in time or production system without inventory/stock.

Topics of Management and Government Exam

2 Management accounting

- 2.1 Standards costs and cost variance analysis.
- 2.2 Inventory management and the economic size of the order.
- 2.3 Target costs and cost reduction processes.
- 2.4 Cost allocation and activity based cost (ABC) system.
- 2.5 Cost, volume and profit analysis.
- 2.6 Differential analysis and decision making.
- 2.7 External and internal pricing decisions.
- 2.8 Budgeting.
- 2.9 Capital budgeting.
- 2.10 Management accounting development.
- 2.11 Balanced scorecards (BSCs).
- 2.12 Customers profitability analysis.
- 2.13 Total quality philosophy.
- 2.14 Constraints theory.

3 Accounting in government units

- 3.1 The concept of government accounting, its characteristics, objectives and components in accordance with accounting standard in public sector (PSAS).
- 3.2 The effect of transition from cash-based accounting to accrual-based accounting.
- 3.3 Presenting financial statements based in PSAS.
- 3.4 Accounting for expenses and revenues in accordance with PSAS.
- 3.5 Cash-generating assets and non-cash-generating assets in public sector
- 3.6 Accounting for inventory in accordance with PSAS.



Topics of Management and Government Exam

4 Non-profit entities

- 4.1 Accounting standards for non-profit entities.
- 4.2 Types of funds in non-profit entities.
- 4.3 Financial statement of non-profit entities.
- 4.4 Accounting in non-profit entities.
- 4.5 Universities and colleges.
- 4.6 Health units and hospitals.
- 4.7 Other non-profit entities.

Topics of Auditing Exam

Main topics and their weightings in exam questions			
Main topics		The percentage	
		Minimum	Maximum
1	The international framework for assurance engagements	3%	5%
2	Objectives, principles, and general responsibilities in auditing financial statements	10%	15%
3	Planning the audit of financial statements	10%	15%
4	Obtaining audit evidence	16%	22%
5	Forming the opinion and the independent auditor's report	10%	17%
6	Review engagements as one of assurance engagement	5%	8%
7	Other assurance engagement that are not audit or review	5%	10%
8	Other related assurance services	3%	9%
9	Quality management in audit firm	6%	12%
10	The International code of ethics for professional accountants	7%	12%

Topics of Auditing Exam

1 The international framework for assurance engagements

- 1.1 The nature of assurance engagements.
- 1.2 Types of assurance engagements.
- 1.3 Objectives of assurance engagements.
- 1.4 Parties of assurance engagements.
- 1.5 Intended users of assurance engagements.
- 1.6 Scope of assurance engagements.
- 1.7 Elements of assurance engagements.
- 1.8 Precondition for performing assurance engagements.
- 1.9 Conditions that must be met by the person providing assurance engagements.
- 1.10 Assumptions for providing assurance engagements.

2 Objectives, principles, and general responsibilities in auditing financial statements

- 2.1 Objectives and principles of auditing financial statements.
- 2.2 Agreeing the terms of audit engagements.
- 2.3 Quality management for financial statements audits.
- 2.4 Audit documentation.
- 2.5 Auditor's responsibilities relating to fraud in financial statements.
- 2.6 Consideration of laws and regulations in financial statement audits.
- 2.7 Communication with those charged with governance.
 - 2.7.1 Communicating deficiencies in internal control to those charged with governance.

Topics of Auditing Exam

3 Planning the audit of financial statements

- 3.1 Planning the audit of financial statements.
- 3.2 Identifying and assessing the risks of material misstatement.
- 3.3 Materiality in planning and performing an audit.
- 3.4 The auditor's responses to assessed risks.
- 3.5 Audit considerations relating to an entity using a service organization.
- 3.6 Using the work of others.
 - 3.6.1 Using the work of component auditors.
 - 3.6.2 Using the work of internal auditors.
 - 3.6.3 Using the work of an auditor's expert.

4 Obtaining audit evidence

- 4.1 Audit evidence and evidence for selected items.
 - 4.1.1 Audit evidence.
 - 4.1.2 Audit evidence for selected items.
- 4.2 External confirmation.
- 4.3 Opening balances.
- 4.4 Analytical procedures.
- 4.5 Audit sampling.
- 4.6 Audit of accounting estimates and related disclosure.
- 4.7 Related parties.
- 4.8 Subsequent events.
- 4.9 Going concern assumption.
- 4.10 Written Representations.

Topics of Auditing Exam

5 Forming the opinion and the independent auditor's report

- 5.1 Forming the opinion and reporting on the financial statements.
 - 5.1.1 Forming the auditor's opinion.
 - 5.1.2 Key audit matters.
 - 5.1.3 Modifications to the opinion in the independent auditor's report.
 - 5.1.4 Emphasis of matter and other matter paragraphs.
 - 5.1.5 Comparative information and corresponding figures.
 - 5.1.6 Auditor's responsibility for other information in documents containing audited financial statements.
- 5.2 Evaluation of misstatements identified during the audit.
- 5.3 Special considerations in the audit of financial statements.
 - 5.3.1 Audits of financial statements prepared in accordance with special purpose frameworks.
 - 5.3.2 Audits of single financial statements and specific elements.
 - 5.3.3 Audit of summary financial statements.

6 Review engagements as one of assurance engagement

- 6.1 Review of historical financial information.
- 6.2 Review of Interim Financial Information Performed by the Independent auditor of the Entity.

7 Other assurance engagement that are not audit or review

- 7.1 Other assurance engagements.
- 7.2 Examination of prospective financial information.
- 7.3 Assurance reports on controls at a service organization.
- 7.4 Assurance engagements on greenhouse gas statements.

Topics of Auditing Exam

- 7.5 Assurance engagements to report on the compilation of pro forma financial information included in prospectuses.

8 Other related assurance services

- 8.1 Agreed-upon procedures engagement.
- 8.2 Compilation engagements.
- 8.3 Providing forensic accounting services engagement.

9 Quality management in audit firm

- 9.1 Quality management for firms that perform audits or reviews of financial statements, or other assurance or related services engagements.
- 9.2 Engagement quality reviews.

10 The International code of ethics for professional accountants

- 10.1 Compliance with the code, fundamental principles, and conceptual framework.
- 10.2 Accounting professional in the business sectors.
- 10.3 Accounting professional in other general practices.
- 10.4 Independence in audit and review engagements.
- 10.5 Independence in other non audit and review engagements.

Topics of Zakat and Tax Exam

Main topics and their weightings in exam questions

Main topics	The percentage	
	Minimum	Maximum
1 Conceptual framework for zakat and tax	3%	7%
2 Zakat	20%	30%
3 Income tax	20%	30%
4 Excise tax	5%	15%
5 Value added tax (VAT)	20%	30%
6 Real estate transactional tax	5%	10%
7 Organization of zakat, tax and customs authority, and the rules of committees for resolving tax violations and disputes	2%	3%

1 Conceptual framework for zakat and tax

1.1 Zakat.

- 1.1.1 Definition of Zakat and its characteristics.
- 1.1.2 Conditions of Zakat payer.
- 1.1.3 Persons subject to Zakat.
- 1.1.4 Guarantees for paying Zakat.
- 1.1.5 Types of zakat and the criteria for its classification.
- 1.1.6 Zakat Price.
- 1.1.7 Zakat Disbursements.

Topics of Zakat and Tax Exam

1.2 Tax.

- 1.2.1 The definition and characteristics of tax.
- 1.2.2 Rules for the imposition of taxes.
- 1.2.3 Types of tax and the criteria for its classification.
- 1.2.4 Theories of determining taxable income.
- 1.2.5 Methods of measuring taxable income.
- 1.2.6 Accounting profit and accounting adjusted profit.
- 1.2.7 Tax avoidance and Tax evasion.
- 1.2.8 Double Taxation.

1.3 The relationship between Zakat and Tax.

- 1.3.1 The similarities between Zakat and Tax.
- 1.3.2 The differences between Zakat and Tax.

2 Zakat

- 2.1 Persons' subject to zakat and zakat ratio.
- 2.2 The obligations of persons subjected to zakat.
- 2.3 Determination of the zakat base for tax payers maintaining regular books and records.
- 2.4 Deductible and non-deductible expenses.
- 2.5 Some special cases in zakat (Holding companies, Endowment, Charities, Non-profit institutions, natural gas investment, Financing activities, Insurance activity and estimated basis).

Topics of Zakat and Tax Exam

- 2.6 Collection procedures (Installment, refund of excess amounts and mandatory reservation and collection procedures).
- 2.7 Zakat Accounting rules.
- 2.8 Assessment, objection and appeal.

3 Income tax

- 3.1 Tax payers (Persons Subject to Tax, Concept of Residence, and Permanent Establishment).
- 3.2 Obligations of income tax payers.
- 3.3 Penalties and fines.
- 3.4 Taxable activities.
- 3.5 Concept of Taxable Income source.
- 3.6 Taxable Income and Exempt Income.
- 3.7 Deductible and non-deductible expenses.
- 3.8 Carry forward losses.
- 3.9 Tax base, tax pricing, tax instalment and tax refund.
- 3.10 Some of special cases in income tax (Long term contracts, insurance companies, natural gas investment, withholding tax and estimated tax).
- 3.11 Adjusted net income to prepare tax returns.
- 3.12 Assessment, objection and appeal.
- 3.13 Tax rules of Partnerships.

Topics of Zakat and Tax Exam

4 Excise tax

- 4.1 Definition and characteristics of Excise Tax
- 4.2 The obligations of persons subjected to Excise Tax
- 4.3 Customs declaration
- 4.4 Tax Warehouse.
- 4.5 Tax suspension status.
- 4.6 Monthly transportation permit.
- 4.7 Excise goods transport document.
- 4.8 Penalties and fines.
- 4.9 Exemption, discount and refund of excise tax.
- 4.10 Some special cases in excise tax (Excise goods that are acquired on the effective date of the excise tax system, tax suspension status and Postponing the payment of excise tax).

5 Value added tax (VAT)

- 5.1 Definition and characteristics of value added tax (VAT).
- 5.2 The obligations of persons subjected to value added tax (VAT).
- 5.3 Penalties and fines.
- 5.4 Exemption, discount and refund of VAT.
- 5.5 Some special cases in VAT (supplies of goods and services and import goods made after the effective date of the VAT system, assumed supply, reverse charge mechanism, accounting according to the cash basis and capital assets).
- 5.6 Tax Declaration for VAT.

Topics of Zakat and Tax Exam

6 Real estate transactional tax

- 6.1 Real estate transactions subject to real estate transactional tax.
- 6.2 Exempt cases from real estate transaction tax.
- 6.3 Procedures for paying real estate transaction tax.
- 6.4 Penalties and fines.
- 6.5 Tax treatment of off-plan sales products.

7 Organization of zakat, tax and customs authority, and the rules of committees for resolving tax violations and disputes

Topics of Laws Exam

Main topics and their weightings in exam questions

Main topics		The percentage	
		Minimum	Maximum
1	Introduction to laws	3%	5%
2	Financial transactions	8%	13%
3	Principles of commercial law (commercial business, the merchant and its obligations, (General Theory of commercial contracts	5%	7%
4	Commercial laws	32%	45%
5	Laws and regulations related to the profession	14%	32%
6	Accounting and auditing profession law	13%	23%

1 Introduction to laws

- 1.1 The concept of law, characteristics of the legal rules, divisions of legal rules, sources of law, scope of applying law, law branches.

2 Financial transactions

- 2.1 Ownership, eligibility, sales, rent, sponsorship, partnerships according to the civil transactions law.



Topics of Laws Exam

3 Principles of commercial law (commercial business, the merchant and its obligations, General Theory of commercial contracts)

- 3.1 Commercial court law.
- 3.2 Commercial books law.
- 3.3 Commercial registration law.

4 Commercial laws

- 4.1 Bankruptcy law.
- 4.2 Corporates law.
- 4.3 Commercial papers law.
- 4.4 Commercial contracts (commission agency, commercial agency, commercial mortgage, brokerage).
- 4.5 Financial companies law.
- 4.6 Movable property security law.
- 4.7 Financial leasing law.
- 4.8 Cooperative insurance companies control law.
- 4.9 Banking control law.
- 4.10 Foreign investment law.
- 4.11 Capital market law and its implementing regulations..
- 4.12 Competition law.
- 4.13 E-commerce law.
- 4.14 Commercial franchise law.

5 Laws and regulations related to the profession

- 5.1 Anti-Money laundering law.
- 5.2 Arbitration law.
- 5.3 Labor law.
- 5.4 Social insurance law.
- 5.5 law of combating crimes of terrorism and its financing.
- 5.6 Anti-concealment Law.
- 5.7 Estate, inheritance, and will according to family law.
- 5.8 Charitable fundraising regulations.
- 5.9 The endowment under the regulation for organizing the affairs of supervision.

6 Accounting and auditing profession law

- 6.1 The law of certified accountants and the Saudi Organization for Chartered and Professional Accountants SOCPA.
- 6.2 The legal status of the chartered accountant in the corporate law and the banking control law, and its obligations and penalties.

Topics of Business Environment Exam

Main topics and their weightings in exam questions

Main topics		The percentage	
		Minimum	Maximum
1	Information technology IT	15%	29%
2	Economic concepts and analysis	30%	48%
3	Financial management	30%	48%

1 Information technology IT

- 1.1 Data science.
- 1.2 Artificial intelligence.
- 1.3 Cybersecurity.
- 1.4 Block chain.
- 1.5 Cloud services.
- 1.6 Big data.
- 1.7 Digital transformation and its impact on business.
- 1.8 IT governance.
- 1.9 Continues auditing.
- 1.10 Enterprise resource planning (ERP) system.

Topics of Business Environment Exam

2 Economic concepts and analysis

- 2.1 Description of the economic environment: micro and macro-economic.
- 2.2 Flexibility and its applications.
- 2.3 Explain the opportunity cost.
- 2.4 Explain different types of market (full/perfect competition, monopoly, oligopoly and monopolistic competition).
- 2.5 Gross domestic product GDP.
 - 2.5.1 Measuring GDP.
 - 2.5.2 Domestic product and national product.
 - 2.5.3 Nominal and real DP.
- 2.6 Economic fluctuation, unemployment, and inflation.
 - 2.6.1 Economic cycles.
 - 2.6.2 Economic cycle indicators.
 - 2.6.3 Unemployment.
 - 2.6.4 Inflation.
- 2.7 Financial policies and its impact/their effects on the economy.
- 2.8 Monetary and banking system.
- 2.9 Foreign exchange market.
- 2.10 Exchange rate systems.
- 2.11 Determinants of currency value.
- 2.12 Payment balance.



Topics of Business Environment Exam

3 Financial management

- 3.1 Description of capital structure and related concepts such as cost of capital, asset structure, loan covenants, growth rate, profitability, leverage and risk.
- 3.2 Analyze the current and future financial position of the organization using ratio analysis, trend analysis and cash flow analysis.
- 3.3 Identify and define the different financial evaluation methods and their assumption.
- 3.4 Comparison between the different sources of funding available to an organization including bank financing, financial instruments, and the markets of bonds, shares and treasury.
- 3.5 Evaluating the relevancy of the financial components used to calculate organization capital cost.
- 3.6 Cash flow management.
- 3.7 Funding lifecycle.
- 3.8 Evaluating companies that haven't reached the stage of profitability.



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