

203 Law for accounting

The aim of this module is to help students explore a general understanding of the principle areas of English law that may be encountered in business organisations or professional practice.

Students will learn what constitutes a valid contract and the expectation of and consequences to the parties involved and the contractual relationship between an agent and a principal. Also the tort of negligence and its relevance in giving of professional advice will be considered.

Students will learn the relevant legislation affecting sole traders, partnerships and companies, including the law of insolvency that is relevant when a business runs into financial difficulties.

Students will also have the opportunity to study the legislation on fraud, money laundering and whistleblowing relevant to accountants in business organisations or professional practice. Finally, students will consider various aspects of employment law.

Intended module learning outcomes

On completion of this module, the student should be able to:

1. Analyse the nature of contractual agreements, the agency relationship and the consequence of negligence.
2. Evaluate the implication of incorporation including the roles of shareholders and directors and the main implication of insolvency law.
3. Analyse instances of criminal behaviour that may be encountered by professional accountants.
4. Assess other key areas in which the law affects the role and work of the professional accountant.

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Indicative content

1. Definition and identifying the essential elements of a contract and their validity.
2. Recognition of the way a contract can be breached and the remedies available to settle issues between parties to a contract.
3. An understanding of the principles of agency and the rights and duties of agents including partnerships.
4. An understanding of the nature of the law of tort and the remedies available on claims for negligence.
5. An understanding of the procedures for formation and different types of companies and the various administrative and the Companies Act 2006 requirements.
6. Recognition of the process for accounting directors, their power, rights and duties.
7. The role of members in a company and their rights and duties.
8. Identifying different types of share capital and other sources for financing a company.
9. An understanding of the process of insolvency for companies, partnerships and individuals.
10. Recognition of criminal, employment, ethical and data protection laws and regulations.

Required reading

ICAEW (2018) *Law, study manual*. 12th ed., London: ICAEW.

Recommended reading

Dignam, A. J., & Lowry, J. P. (2018) *Company Law*. 10th ed., Oxford: Oxford University Press.

Scheme of work

Once you have registered and paid for a module you will receive the scheme of work detailing the weekly schedule study plan.

Assessment

The learning outcomes for this module will be assessed as follows:

1½ hour's multiple choice, time-constrained closed-book exam.

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