

Module 4 Revision

(Financial Reporting)

FR Revision Blog on Module 4:

Module 4 counts 18% of the CPA FR exam. This is one of the most challenging areas in the FR syllabus. Here is a checklist to help you assess your knowledge of this module and direct you to the relevant KnowledgeEquity resources.

<u>Summary check points/questions</u>	<u>Do I know this?</u> (yes/no/I need to brush up)	<u>Links to KnowledgeEquity materials</u>
<u>Module 4</u> <u>Part A:</u>		
<ul style="list-style-type: none"> Do you know and can you apply the following formulas? <ul style="list-style-type: none"> current tax deferred tax tax expense temporary difference tax base for an asset, liability and unearned income Can you work out taxable profit from accounting profit? 		<ol style="list-style-type: none"> Module 4 Units – Watch each video and attempt each Mini-Quiz <ol style="list-style-type: none"> Current tax Deferred tax basics Tax base Summer school session 2 Flowcharts <ol style="list-style-type: none"> Tax terminology Tax base formulas Module 4 Part A Practice exercise Blog – future deductible amounts and future taxable amounts https://knowledgeequity.com.au/future-deductible-amounts/ Blog – Doubtful debts provision and deferred tax calculation https://knowledgeequity.com.au/doubtful-debts-provision-on-deferred-tax-calculation/
<u>Part B:</u>		
<ul style="list-style-type: none"> Do you know the exceptions to the recognition of DTL and DTA? Do you know the two sources that gives rise to a DTA? Do you know the journal entries for the recognition of the different DTA sources? Can you apply the probability criterion? Do you know the journals and the rules relating to the recoupment of tax losses? 		<ol style="list-style-type: none"> Webinar week 4 Flowcharts <ol style="list-style-type: none"> Recognition of DTL Recognition of DTA Deferred tax journals Tax base formulas Module 4 Part B Practice exercise Blog – Recognition rules for deferred tax liabilities https://knowledgeequity.com.au/recognition-rules-for-deferred-tax-liabilities/ Blog – Recoupment of tax losses https://knowledgeequity.com.au/recoupment-tax-losses/



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<u>Part C:</u>		
<ul style="list-style-type: none">• Are you able to calculate the tax base of a revalued asset when<ul style="list-style-type: none">○ the intention is to recover the asset through use○ the intention is to sell the asset (and CGT is applicable or not applicable)○ the asset is a non-depreciable asset• Do you know the difference between the Deferred tax BALANCE and the deferred tax MOVEMENT?		<ol style="list-style-type: none">1. Watch the 3 videos in the unit 'Deferred tax on revaluation'2. Webinar week 53. Flowchart – Tax base for revalued assets4. Module 4 Part C Practice exercise
<u>Part D:</u>		
<ul style="list-style-type: none">• Can you perform the reconciliation between prima facie tax and tax expense?		<ol style="list-style-type: none">1. Blog – reconciliation between prima facie tax and tax expense https://knowledgeequity.com.au/prima-facie-tax-tax-expense/



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