

**COURSE DATA****Data Subject**

Code	35912
Name	Accounting for international groups
Cycle	Grade
ECTS Credits	6.0
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. Period
1314 - Degree in International Business	Faculty of Economics	4 First term

Subject-matter

Degree	Subject-matter	Character
1314 - Degree in International Business	27 - International accounting	Optional

Coordination

Name	Department
MORA ENGUIDANOS, ARACELI	44 - Accountancy

SUMMARY

This subject allows to learn the concep of busines combinations and how to elaborate and analyse the consolidated financial statements/group accounts of listed companies

PREVIOUS KNOWLEDGE**Relationship to other subjects of the same degree**

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

Introduction to accounting is strictly required



OUTCOMES

1314 - Degree in International Business

- Be able to work in multidisciplinary and intercultural teams.
- Understand and reflect on socio-economic and political contexts that affect business and economic decision-making in an international environment.
- Understand the structure and functioning of companies and organisations operating in an international context.
- Prepare, interpret and analyse the accounting information of companies.
- Use the economic and financial information of the company to make decisions.

LEARNING OUTCOMES

This subject consists of learning how to prepare consolidated accounts for groups of companies. The concept of a group is studied in order to learn and understand the mechanics of the consolidation adjustments of the accounts of subsidiaries and associated and multi-group entities to provide the information used in decision-making in capital markets.

DESCRIPTION OF CONTENTS

1. Lesson 1. Concept of group of companies and consolidation.

- 1.1. . Business combinations and accounting information: merger and acquisitions versus investment in shares.
- 1.2. Rules for the preparation of consolidated financial statements (IFRS).
- 1.3. Group concept: parent and subsidiaries.
- 1.4. Other types of companies: joint ventures and associates.
- 1.5. . The obligation to present consolidated financial statements.

2. Lesson 2. Methods of consolidation

- 2.1. Investment types: direct, indirect, triangular, reciprocal and circular.
- 2.2. Nominal participation, control and equity interest.
- 2.3. The methods of global and proportional integration and equity method.: Overview and its application to different types of companies.
- 2.4. Consolidation group and consolidation scope.



3. Lesson 3 Equity investment adjustment.

1. Assessment of financial investment (participation).
2. Equity valuation of the subsidiary.
3. The date of acquisition of control.
 - 3.1. Acquisition of control with a single investment.
 - 3.2. Acquisition of control in stages.
4. The involvement of external partners.
5. The investment-equity in subsequent years: reserves in consolidated entity

4. Lesson 4. Elimination of intragroup transactions and internal results.

1. Intercompany eliminations or reciprocal items.
2. Internal operations
3. Results of internal operations with inventory.
4. Results of internal operations with PPE
 - 4.1. Non-depreciable assets.
 - 4.2. Depreciable assets.
5. Dividends from distribution of profits

5. Lesson5 5 The equity method

1. The application of the equity method.
2. The associates.
3. Methodology
4. Elimination of results of internal operations and internal dividends.
5. Results of equity society.
6. Reserves in equity investments

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
TOTAL	60,00	

TEACHING METHODOLOGY

Participatory class, to present the essential theoretical contents in the classroom.



Practical classes related to resolution of cases. Autonomous supervised work based on performance of exercises.

Independent study of students and completion of written tests.

EVALUATION

There will be a continuous evaluation through periodic tests that will represent 20% of the final grade, in addition to

a final exam (80%)

REFERENCES

Basic

- Consolidation: Preparing and understanding consolidated financial statements under IFRS. Authors: Carlo Galimberti, Antonio Marra and Annalisa Prencipe, Ed McGrawhill, 2013