

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

<b>Code</b>	35954
<b>Name</b>	Accounting for business combinations
<b>Cycle</b>	Grade
<b>ECTS Credits</b>	6.0
<b>Academic year</b>	2021 - 2022

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
1315 - Degree in Finance and Accounting	Faculty of Economics	3	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
1315 - Degree in Finance and Accounting	20 - Accounting consolidation and analysis	Obligatory

**Coordination**

<b>Name</b>	<b>Department</b>
LABATUT SERER, GREGORIO	44 - Accountancy

**SUMMARY**

The subject of Business Groups Accounting is taught in the third year of the Bachelor of Finance and Accounting (FYC) is a core subject.

It encompasses the area of Analysis and Accounting consolidation, encompassing the study and the preparation of financial statements of the business groups.

It is therefore necessary by the student knowledge of financial accounting of individual companies, acquired in the core subject Financial Accounting first year and expanded in various electives.

The teaching hours for the 6 credits of this course will be developed throughout the first half, which will be held two hours of lecture and two hours of practical content, which will work with the proposed collection of case studies.



### Relationship to other subjects of the same degree

## Other requirements

## OUTCOMES

- Conocer y analizar otras fuentes de información interna y externa que interviene en los modelos de decisión.

The results that the student is expected to acquire in this subject are the following:

Detect and apply which are the fundamental methods of processing the accounting information of each type of company.

Apply the phases you have to follow to be able to construct the consolidated financial statements.

Knowing the treatment receives the financial investment account, which is representative of the participation in other companies. What happens when investments increase or decrease as a result of certain causes.

Know and know how to apply what consideration should receive the results generated by internal operations, both product sales or service provision, such as financial operations.

Dominate the peculiarities of the consolidated financial statements, which include directly or indirectly controlled companies and those that are called multigroup or associates.



## DESCRIPTION OF CONTENTS

### 1. Theme 1 Concept group of companies and consolidation

- 1.1. Business combinations and accounting information: merger and acquisitions versus making participation.
- 1.2. Standards for the preparation of the consolidated financial statements.
- 1.3. Concept Group: dominant and dependent societies.
- 1.4. Other types of companies: joint ventures and associates.
- 1.5. The obligation to present consolidated financial statements and waivers.

### 2. Item 2 accounting consolidation methods

- 2.1. Equity types: direct, indirect, triangular, circular and reciprocal.
- 2.2. Both nominal participation of both control and effective both proprietary interest.
- 2.3. Integration methods and proportionally and equity procedure. General description and application to different types of companies.
- 2.4. Consolidated group and consolidation.

### 3. Item 3. Phases of the consolidation methods and proportionately

- 3.1. Standardisation of timing, valuation, internal operations and to perform the aggregation.
- 3.2. Adding financial statements.
- 3.3. Eliminations-equity investment of intragroup items and results from internal operations.
- 3.4. Analysis of the positive difference and eliminating negative difference-equity investment. Treatment of consolidation goodwill and negative goodwill.

### 4. Item 4. Elimination equity investment

- 4.1. Financial investment rating (participation).
- 4.2. Equity valuation of the subsidiary.
- 4.3. The date of acquisition of control.
  - 4.3.1. Acquisition of control with a single investment.
  - 4.3.2. Acquisition of control by stages.
- 4.4. The involvement of external partners.
- 4.5. The investment-assets in subsequent years: the consolidation reserves.

### 5. Item 5. Elimination of intragroup items and internal results

- 5.1. Elimination of intragroup or reciprocal headings.
- 5.2. Treatment outcome of internal operations. Real and fictitious losses Losses.
- 5.3. Results stocks internal operations.
- 5.4. Results of fixed internal operations.
  - 5.4.1. Non-depreciable fixed assets.



- 5.4.2. Depreciable fixed assets.
- 5.5. Internal Dividend distribution from previous year's result.
- 5.6. Internal Dividends distributed on account of the profit.

**6. Item 6. Increases in investment in the subsidiary**

- 6.1. Additional investments.
- 6.2. Increased participation due to capital increases in subsidiaries.
  - 6.2.1. Subscription proportional
  - 6.2.2. Subscription more than proportional

**7. Item 7 The proportional method**

- 7.1. The application of the proportionate consolidation method.
- 7.2. The entities.
- 7.3. Methodology proportional method.
- 7.4. Aggregation and eliminations of intragroup items and results from internal

**8. Item 8 The equity method**

- 8.1. The application of the equity method.
- 8.2. The associates.
- 8.3. Methodology equity method.
- 8.4. Elimination of results of internal operations and internal dividend.
- 8.5. Share of profit of equity society.
- 8.6. Reserves in equity affiliates.

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Attendance at events and external activities	2,00	0
Study and independent work	33,00	0
Readings supplementary material	10,00	0
Preparation of evaluation activities	10,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	10,00	0
Resolution of case studies	10,00	0
<b>TOTAL</b>	<b>150,00</b>	



## TEACHING METHODOLOGY

In the teaching-learning process Accounting of business groups use different teaching methods in order that the / the student to acquire the skills listed above.

The teaching methods used both for classes in theory and practice and present them additional activities classified under the following headings:

### 1. - Methodologies for "learning from others".

In most of the theoretical model is used to "lecture", as it offers the teacher the possibility to influence the most important, dominate the exhibition theme and present a particular way of working and studying the subject.

We will also use the model of "participatory lecture" both in theory and in practice in order to encourage communication among students and between students and teacher / a.

In any case, it is imperative that the issues addressed in the lectures previously be studied - one and a quarter a week, to achieve a better understanding of the art upon timely explanation by the teacher.

The practical classes are based on cases or practical cases. The practical cases are designed to apply the knowledge acquired in the theoretical part, so that both complement. So in practical classes will be raised or actual scenarios that may arise in the accounting practice, from them, make a concrete application of the rules and techniques of consolidation accounting.

### Two. - Methodologies to "learn only"

Individual study and promotion of lifelong learning must be oriented designing learning activities. All these activities must develop the / students with the aim of acquiring enough knowledge to pass the course. It proposes the development of guidelines for the study of the subject, the development of time to devote to each subject, and problems performing the student questionnaires, and other exercises proposed personal work, etc..

## EVALUATION

The evaluation of the content and skills to achieve specific to this subject will be as follows:

At the end of the semester there will be a written test of theoretical and practical content, which must be obtained at least 5 points out of 10 to pass the course. This shortest will be the end of the first half on the dates determined by the faculty of Economics, which will comprise both theoretical questions and problems on the agenda of the subject.

The minimum grade to pass the course will be 5 points in aggregate in theory and practice exam.





The continuous evaluation of the student will represent 30% of the final grade for the course and will be based on their attendance, participation and involvement in the teaching-learning process. The continuous evaluation will consist of a series of activities that will be indicated by the teacher. Continuous assessment activities will not be recoverable in the first call. However, they will be considered recoverable on second call.

Now, by agreement of the CAT can only pass the course if you pass the test, i.e. the test student must take at least 5 out of 10 for sumárselo continuous assessment.

On the website of the accounting department (<http://www.uv.es/comptabilitat>) in the ad section, you will find information on date and place of examinations.

## REFERENCES

### Basic

- Serra, Vicente. Labatut, Gregorio. Arce, Miguel. Cervera, Natividad. Pardo, Francisca: Consolidación contable de grupos empresariales. Segunda edición, incluye soluciones a las preguntas de revisión. Editorial Pirámide, 2017  
<https://www.edicionespiramide.es/libro.php?id=6213579>

E-book:

<https://www.edicionespiramide.es/libro.php?id=6218583>

- Colección de casos prácticos elaborados por los profesores del departamento de Contabilidad

### Additional

- Real Decreto 1159/2010, de 17 de septiembre, por el que se aprueban las Normas para la Formulación de las Cuentas Anuales Consolidadas. (NFCAC)  
Código de Comercio.

Guías temáticas realizadas por los servicios de la biblioteca, el link es  
<http://cibisoc.blogs.uv.es/>

## ADDENDUM COVID-19



**This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council**

## ADDENDUM SUBJECT 35954 ACCOUNTING OF BUSINESS GROUPS. FYC.

"This addendum will only be activated if the health situation requires it and with the prior agreement of the Governing Council."

### 1. CONTENTS

All the contents initially programmed in the teaching guide are maintained.

### 2. VOLUME OF WORK AND TEMPORARY PLANNING OF TEACHING

The number of hours of the teaching guide is maintained. However, given the greater weight of continuous evaluation, in the temporary planning of teaching additional tasks will be required, which may consist of the delivery of theoretical-practical exercises, the completion of online questionnaires or tests in the classroom.

### 3. TEACHING METHODOLOGY

Following the indications for the development of the teaching of the course 20-21, approved by the Consell de Govern of the University of Valencia on July 1, 2020, the teaching of the first semester will be hybrid.

- The theoretical classes will be taught, preferably, by synchronous videoconference, on the day and at the time of the face-to-face class. Students will connect the camera to participate and intervene in the development of the theoretical classes. These sessions may be replaced by asynchronous sessions (locutado power point, etc). If the conditions of the group and the classroom allow it, it could be tried to go to face-to-face teaching, as long as the sanitary conditions allow it and the health of the teacher and the assistants are not put at risk.
- The practical classes will be face-to-face in the classrooms and times assigned for this purpose. If due to sanitary conditions, the development of the subject were totally non-presential, they will be carried out in the same way as the theoretical classes.
- The materials will be those provided in the original guide.
- The tutorials will be virtual (attention in 48 work maximum). Forums and other tools available in the virtual classroom may be used.

### 4. EVALUATION

- Increased weight of continuous assessment from 30% to 40%. If due to sanitary conditions, the development of the subject is completely non-presential, oral tests can be scheduled through a videoconference.



- Reduction of the weight of the final exam goes from 70% to 60%. The evaluation test will be face-to-face. If, due to health conditions, the exam is not in person, it can be done with a theoretical-practical test through the virtual classroom and / or through oral questions via videoconference.
- If the student could not be present in any face-to-face test (duly justified absence) or had connection problems (both in the continuous assessment and in the final test), that test may be replaced by another oral test through a videoconference in which the student must connect the camera to be identified.
- The maximum mark of the continuous evaluation will be 4 points and is non-recoverable, as in the original guide.
- The final grade for the course will be the sum of the continuous assessment and the final exam. The requirement of the original guide is maintained, according to which, to add the continuous evaluation, it will be necessary to pass the final exam. The student who does not carry out the continuous evaluation will obtain the maximum grade of the final exam.
- The minimum grade to pass the course will be 5 points in both calls.
- In the second call for this subject the same conditions will be maintained as in the first call. The student who has not submitted any continuous assessment work will have the exam as the final grade.

## 5. BIBLIOGRAPHY

The bibliography recommended in the teaching guide is maintained.

For all aspects not covered in this ADDENDUM, the provisions of the original guide will be followed.