

**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>	2023 - 2024

**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>
CERVERA MILLAN, NATIVIDAD	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.

Dominates 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

In general, the process for assessing the competences of the subject is similar to the rest of the subjects of the module and, specifically, they will follow the following guidelines:

1. A written exam, consisting both of theoretical questions and practical cases, will constitute 70% of the final grade. The minimum score for this exam to be achieved is 5 out of 10.





2. To students' continuous assessment will constitute 30% of the final grade for the subject and is based on participation and involvement in the teaching-learning process. This evaluation will be carried out as follows:

1. Activities indicated by the teaching staff, such as resolution and delivery of practical cases, individual questionnaires in the classroom and other activities (20% of the final grade). Are considered non-recoverable.
2. Completion of, at least, 80% of continuous assessment activities (10% of the final grade). Are considered recoverable on second-call.

The final mark of the students who have obtained a grade lower than 5 points out of 10 in the written exam, it will be equal to the exam grade.

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

- Colección de casos prácticos de la asignatura (elaborados por los profesores del departamento de Contabilidad).
- Serra, Vicente; Labatut, Gregorio; Arce, Miguel; Cervera, Natividad; Pardo, Francisca (2017): Consolidación contable de grupos empresariales. Adaptado al Real Decreto 602/2016 (incluye soluciones a las preguntas de revisión y casos prácticos). Editorial Pirámide. <https://www.edicionespiramide.es/libro.php?id=6213579>  
E-book: <https://www.edicionespiramide.es/libro.php?id=6218583>

### LEGISLACIÓN

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

Real Decreto 602/2016, de 2 de diciembre, por el que se modifican el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre; el Plan General de Contabilidad de Pequeñas y Medianas Empresas aprobado por el Real Decreto 1515/2007, de 16 de noviembre; las Normas para la Formulación de Cuentas Anuales Consolidadas aprobadas por el Real Decreto 1159/2010, de 17 de septiembre; y las Normas de Adaptación del Plan General de Contabilidad a las entidades sin fines lucrativos aprobadas por el Real Decreto 1491/2011, de 24 de octubre.

Real Decreto 1/2021, de 12 de enero, por el que se modifican el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre; el Plan General de Contabilidad de Pequeñas y Medianas Empresas aprobado por el Real Decreto 1515/2007, de 16 de noviembre; las Normas para la Formulación de Cuentas Anuales Consolidadas aprobadas por el Real Decreto 1159/2010, de 17 de septiembre; y las normas de adaptación del Plan General de Contabilidad a las



entidades sin fines lucrativos aprobadas por el Real Decreto 1491/2011, de 24 de octubre.

#### **Additional**

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

