

MÁSTER UNIVERSITARIO EN DIRECCIÓN FINANCIERA Y CONTABLE DE LA EMPRESA

(Official Master's Degree in Accounting and Financial Management)

SUBJECT

Name: Consolidation of financial statements

Type of subject: Compulsory

Credits: 3 ECTS

Hours dedication: 18 hours (in classroom) 60 hours (out classroom)

Professor: Francisco Marín

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COURSE DESCRIPTION

The Corporate Reporting Course is dedicated to the Consolidation of financial statements. Consolidation is the technique used to obtain the financial statements needed by users (investors, analysts, financial institutions, auditors, government, tax authorities) corresponding to a group of companies or corporation.

Companies often grow by means of acquisitions of stakes in other entities creating groups of companies (corporations). Those corporations, elaborate, additionally to separate financial statements, consolidated ones which reflect their financial and economic position as an only economic entity.

This course is dedicated to learning how to elaborate, use and interpret consolidated financial information.

Goals

- 1 Provide an understanding of the need for consolidated financial statements
- 2 Set out the required accounting treatment for each degree of influence.
- 3 Understand how a wholly owned subsidiary is accounted for in the consolidated Statement of Financial Position and how to cope with the different complications that may arise
- 4 Understand and learn how to use the equity method.
- 5 Understand the meaning and usefulness of corporate annual consolidated reports.

Specific Abilities

CE1. Taking decisions aimed at achieving the company's overall accounting and financial objectives through the application of practical and advanced analysis techniques adapted to the business sector in which it operates.

CE3 Developing negotiating and conflict management skills through real situations and practices in order to make socially-responsible business decisions in the accounting and finance field.

Methodology

The methodology used in the subject is essentially participatory and is fundamentally based on the discussion of practical cases, explanations based on real-world business experience and case presentations, reading and exercises by the participants. The subject materials must be worked on at home. This will allow sessions to focus on aspects previously discussed and ensure they are essentially practical. Moreover, presentations of cases, exercises and reading materials will be common. The groups/participants that are not presenting will have to submit a written assignment on the completion of their exercise to the professor or hand it in in the subject's global classroom.

Evaluation

40 % Exam
40 % Final assignment
20 % Case studies, oral presentations, attendance, etc

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Total course

Students need to obtain a minimum of 5 in the final exam to pass the course. This condition applies to both the regular exam and the retake exam. The final course grade of students that do not obtain **a minimum of 5 in the exam** will have a retake exam opportunity that will be programmed in accordance with the academic calendar. If a student has to retake the exam, his **maximal grade for the course will be a 5**.

Students are required to **attend 80% of classes**. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

Plagiarism is to use another's work and to present it as one's own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the "Honor Code," students acknowledge that they understand the schools' policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic

expulsion from the program.”

Contents

1. Key aspects and important accounts to consider in the consolidated financial statements. Rules for the formulation of the consolidated financial statements.
2. Consolidated Financial Statements' analysis
3. Formulation of consolidated accounts of corporations and groups of companies.
4. Comparison with international regulations.
5. Review of the latest research on balance sheet consolidation.

Reading Materials/ Bibliography/Resources

- Mahoney, P; MacLochlainn, N. Consolidated Financial Statements. 2nd Edition. Chartered Accountants Ireland. 2013

Bio of Professor

PhD in Economics and Business from the Rovira i Virgili University (URV). Professor at the UPF Barcelona School of Management and Coordinator of the Master's Degree in Business Finance and Accounting Management. Doctor in Economics and Business from the Rovira i Virgili University (URV). He is also adjunct professor at the Pompeu Fabra University in the Department of Economics and Business.