Financial Accounting II

**STUDENTS ARE EXPECTED TO HAVE COMPLETED**
- Introduction to Accounting
- Financial Accounting I

**COMPETENCES AND SKILLS THAT WILL BE ACQUIRED AND LEARNING RESULTS.**

**Knowledge:**
- Understand the process of preparation of the financial statements, both at the consolidated and single company level.
- Understand the usefulness of financial statements for decision making and other purposes.
- Understand the concept of group of companies and the need for consolidated financial statements.
- Understand the different methods to prepare consolidated financial statements and to be able to interpret the consolidated financial statements.

**Abilities**
- Ability to work in groups and individually.
- Ability to resolve new problems.

**Attitudes:**
- Be a critical observer of managerial behavior.

**DESCRIPTION OF CONTENTS: PROGRAMME**

**Part A: Financial Statements**

1.- Presentation of financial statements.
   1.1. Balance sheet
   1.2. Income statement
   1.3. Statement of changes in equity
   1.4. The notes
   1.5. Intermediate and simplified financial statements

2.- The cash-flow statement

**Part B: Consolidation**

3.- Basic concepts about consolidation of financial statements
   3.1. Definition and economic role of the consolidation of financial statements
   3.2. Groups of enterprises and other formal links between companies
   3.3. Spanish regulation
   3.4. Scope of consolidation and consolidation procedures

4.- Full consolidation
   4.1. Introduction to the method of full consolidation
   4.2. Homogenizing adjustments
   4.3. Investment/Equity elimination

5.- Intragroup transactions under full consolidation

6.- Other consolidation methods
   6.1. The equity method
6.2. Proportionate consolidation

LEARNING ACTIVITIES AND METHODOLOGY

We combine the following methods:

1) Lectures, with a good number of practical examples, are used with the objective of making students acquire the basic knowledge.

2) Exercises, that students resolve at home. Tutorials (grupos reducidos) where additional exercises are done and resolved. We also use real life examples.

3) Tasks to be resolved in groups, during the tutorials (grupos reducidos).

ASSESSMENT SYSTEM

Final Exam: 60%
Continuous assessment:
30%: 4 assignments, to be prepared and handed in in class, in groups, and class participation, especially when the assignments are resolved in class.
10%: 2 individual tests, to be done in the theory group (grupos magistrales)

To pass the course students should obtain a minimum of 4 marks (over 10) in the final exam.

% end-of-term-examination: 60
% of continuous assessment (assignments, laboratory, practicals...): 40

BASIC BIBLIOGRAPHY

- IASB International Accounting Standard 1: Presentation of financial statements., IASB.
- IASB International Accounting Standard 7: Cash flow statement., IASB.
- IASB International Accounting Standard 27: Consolidated and separate financial statements., IASB.
- IASB International Accounting Standard 28: Investments in associates., IASB.
- IASB International Financial Reporting Standards 10, 11 and 12, IFRS Foundation.

ADDITIONAL BIBLIOGRAPHY

- Ernst&Young International GAAP 2017 (Chapters 6 and 7), Wiley, 2017