

Academic Year: ( 2020 / 2021 )

Review date: 27-06-2020

Department assigned to the subject: Business Administration Department

Coordinating teacher: GARCIA LARA, JUAN MANUEL

Type: Compulsory ECTS Credits : 6.0

Year : 2 Semester : 2

**REQUIREMENTS (SUBJECTS THAT ARE ASSUMED TO BE KNOWN)**

Introduction to Accounting  
Financial Accounting I

**OBJECTIVES**

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 during the tutorials (grupos reducidos).

#### ASSESSMENT SYSTEM

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|---|----|
| <b>% end-of-term-examination:</b>   | 60 |
| <b>% of continuous assessment (assignments, laboratory, practicals...):</b> | 40 |

Final Exam: 60%

Continuous assessment:

30%: 4 assignments, to be prepared and handed in in class, 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.

#### 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