

Academic Year: ( 2020 / 2021 )

Review date: 27-06-2020

Department assigned to the subject: Department of Business Administration

Coordinating teacher: GARCIA LARA, JUAN MANUEL

Type: Compulsory ECTS Credits : 6.0

Year : 2 Semester : 2

**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 during the tutorials (grupos reducidos).

### ASSESSMENT SYSTEM

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.

**% 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