



UNIVERSITY OF NICOSIA ΠΑΝΕΠΙΣΤΗΜΙΟ ΛΕΥΚΩΣΙΑΣ

Course Code	Course Title	ECTS Credits
Acct 310	Advanced Financial Accounting	6
Department	Semester	Prerequisites
Accounting	Fall, Spring	Acct 110, Acct 111, Acct 210
Type of Course	Field	Language of Instruction
Required	Accounting	English
Level of Course	Year of Study	Lecturer
Cycle 1	2	Katerina Morphi
Mode of Delivery	Work Placement	Co – Requisites
Face to Face	N / A	None
Recommended Optional Programme Components: N/A		

Objectives of the Course:

The objective of the course is to:

Analyze in detail the preparation of consolidated financial statements, including elimination of inter-company liabilities, inter-company inventory transfers and inter-company plant asset transfers. Demonstrate the consolidation procedures for step acquisitions and inter-company investment in preferred stock.

Learning Outcomes:

After completion of the course students are expected to be able to:

1. Explain why firms engage in business combinations and learn the consolidation procedures on acquisition day when the subsidiary is dissolved or when it remains in business.
2. Prepare consolidated financial statements in the years subsequent to the business combination including the amortization of goodwill and elimination of inter-company liabilities.
3. Prepare consolidated financial statements when there is minority interest and the parent has gained control during the accounting period.
4. Prepare consolidated financial statements when inventory or land and other depreciable fixed assets have been sold between the parent and the subsidiary.

5. Prepare consolidated financial statements when bonds have been issued between the parent and the subsidiary company. Be able to prepare a consolidated cash flow statement.
6. Be able to prepare consolidated financial statements when the parent company has invested in both preferred and common shares of the subsidiary. Illustrate the consolidation process depending on whether the preferred stock is treated like debt or equity.

Course Contents:

1. Consolidation of Financial Information on Acquisition Day
2. Consolidations Subsequent to the Date of Acquisition
3. Consolidated Financial Statements and Outside Ownership
4. Consolidated Financial Statements and Inter-company Asset Transactions
5. Inter-company Debt and Investment in the Subsidiary's Preferred Stock.

Learning Activities:

Lectures, In-Class Exercises and In-Class Discussions.

Assessment Methods:

Homework, Mid-Term Exam, Final Exam.

Required Textbooks:

Authors	Title	Publisher	YEAR	ISBN
Hoyle, J. B. Schaefer, T. F. Douppnik, T. S.	Advanced Accounting	McGraw-Hill Irwin	2009	13-97800773379456

Recommended Textbooks/Reading:

Authors	Title	Publisher	Year	ISBN
Baker, R. E. Lembke, V. C. King, T. E. Jeffrey, C.	Advanced Financial Accounting	McGraw Hill Irwin	2009	13-9780073526911