**Consolidated Financial Statement and International Accounting Standards**

Professor Carlotta D’Este

**Module I – Consolidated Financial Statements**

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course is designed to provide the theoretical and technical foundations related to the preparation of consolidated financial statements under both Italian GAAPS and International Financial Reporting Standards (IAS/IFRS).

According to the foregoing objectives, at the end of the course students are expected to demonstrate to:

* understand and clarify the theoretical premises underlying the preparation of consolidated financial statements
* know the accounting standards and the basic accounting procedures required by law and regulations in order to prepare consolidated financial statements
* be able to prepare consolidated financial statements under the aforesaid accounting standards and procedures, using the consolidation worksheet and making consolidation entries
* be able to analyze the items presented on the consolidated financial statements, expressing an opinion on the overall value creation process of corporate groups.

***COURSE CONTENT***

* The regulatory framework for the preparation of consolidated financial statements: consolidation methods
* The content of consolidated financial statements: accounting principles, financial statements, regulation and consolidation scope
* Preconsolidation
* The consolidation upon acquisition of a controlling interest: goodwill recognition, the consolidation entries according to the line-by-line consolidation method
* The consolidation subsequent to the date of acquisition
* Consolidated financial statements analysis

***READING LIST***

 Mancini C. - Prencipe P.- Tettamanzi P., *Bilancio consolidato*, 2021, Egea, Milano.

Additional teaching material, as slides, exercises and their solutions, will be uploaded to Blackboard.

Suggested readings: International Financial Reporting Standards IAS 28, IFRS 3, IFRS 10.

***TEACHING METHOD***

During the course, interactive lectures will be complemented with in-class exercises. Practice exercises and their solutions will be uploaded to Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

The course is assessed by a closed-book written final exam (100%), consisting of two distinct sections:

* the first part includes applied problems and exercises concerning the preparation of a consolidated financial statement, using the consolidation worksheet and making consolidation entries
* the second part consists of close-ended theoretical questions and of an open-ended question, requiring the student to express an opinion on the financial position and performance of a selected corporate group, based on the consolidated financial statements that will be provided together with the exam text.

The exam will be aimed at assessing students’ knowledge of accounting rules and records and their ability to apply them to exercises and problems. Furthermore, it will allow to appreciate their ability to express an opinion on corporate groups overall performance.

The course evaluation is expressed by means of a grade on a 30-point scale.

***NOTES AND PREREQUISITES***

The course assumes that students have a good knowledge of financial accounting basics.

**Module II – International Accounting Standards**

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course deals with the topic of international harmonization of accounting standards and practices, providing students with theoretical and technical knowledge for the preparation and presentation of annual reports according to International Financial Reporting Standards IAS/IFRS.

At the end of the course, students should be able to:

* understand objectives underlying the preparation and presentation of annual reports according to the International Financial Reporting Standards IAS/IFRS
* know the IASB’s Conceptual Framework and accounting principles
* apply International Financial Reporting Standards IAS/IFRS to the preparation and presentation of firms’ annual reports
* Read and understand the results of either separate and consolidated financial statements, prepared according to International Financial Reporting Standards IAS/IFRS, understanding and identifying the main critical issues

***COURSE CONTENT***

* The international harmonization process of accounting standards and practices and the convergence between local and international GAAPs: the role of European Union and other organizations involved
* The International Financial Reporting Standards’ sources: the European Union directives and regulations and the IASB’s accounting standards
* The IASB’s Conceptual Framework: contents and structures of financial statements under IAS 1 and IAS 7
* International Financial Reporting Standards: Property Plant and Equipment, Intangibles, Inventory and Liabilities
* Financial statement analysis and companies’ financial performance assessment

***READING LIST***

Quagli A., *Gli standard dello IASB nel sistema contabile italiano*, 2019, Giappichelli, Torino.

Additional teaching material, as slides, exercises and their solutions, will be uploaded to Blackboard.

Suggested readings: International Financial Reporting Standards IAS 2, IAS 11, IAS 16, IAS 36, IAS 37, IAS 38, IFRS 16, IFRS 9.

***TEACHING METHOD***

During the course, interactive lectures will be complemented with in-class exercises. Practice exercises and their solutions will be uploaded to Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

The course is assessed by a closed-book written final exam (100%), consisting of two distinct sections:

* the first part includes applied problems and exercises, requiring students to determine the cost of financial items and to make the related journal entries, along with the preparation and presentation of financial statements under IAS 1 and IAS 7
* the second part consists of an open-ended question, requiring the student to express an opinion on financial items presented on a listed entity’s financial statements, that will be provided together with the exam text.

The exam will be aimed at assessing students’ knowledge of accounting rules and records and their ability to apply them to exercises and problems. Furthermore, it will allow to appreciate their ability to express an opinion on companies’ overall performance.

The course evaluation is expressed by means of a grade on a 30-point scale.

***NOTES AND PREREQUISITES***

The course assumes that students have a good knowledge of financial accounting basics.

Information on office hours is available at <http://docenti.unicatt.it/>.