

NAME OF THE COURSE		Accounting for Business Combinations					
Code	ECS511	Year of study	2				
Course teacher	Professor Ivica Pervan, PhD Assistant Professor, Marko Čular	Credits (ECTS)	6				
Associate teachers	-	Type of instruction (number of hours)	L	S	E	F	
			26	0	26	0	
Status of the course	Obligatory	Percentage of application of e-learning	20%				
COURSE DESCRIPTION							
Course objectives	The course prepares students for accounting and reporting of business combinations, division of companies and consolidation of group financial statements.						
Course enrolment requirements and entry competences required for the course	Prerequisites for enrollment are regulated by the Statute of the Faculty of Economics, Business and Tourism and the Rulebook on Study and Study.						
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	Course learning outcome:						
	Select the appropriate accounting method for business combinations, division of companies and consolidation of financial statements.						
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	Individual Learning outcomes:						
	1. To determine the assets, liabilities, non-controlling interests and goodwill for the business combinations 2. To value goodwill after the date of the business combination 3. To determine assets, liabilities and equity after division of the company 4. To consolidate group financial statements 5. To value of foreign exchange differences in the consolidated financial statements of the foreign subsidiaries						
Course content broken down in detail by weekly class schedule (syllabus)	Lecture		Exercise				
	Topic	Hours	Topic	Hours			
	Business combinations: strategic, legal and tax aspects.	1	Case studies of business combinations: strategic, legal and tax aspects.	2			
	Valuation of business combinations: asset-based valuation, DCF, multipliers, comparable transactions.	2	Practical exercises: Valuation of business combinations: asset-based valuation, DCF, multipliers, comparable transactions.	2			
	Accounting for business combinations in accordance with IFRS 3 and HSFI 2.	2	Practical exercises: Billing and recording of merger. Billing and recording of acquisition. Billing and recording of buying a net asset.	2			

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	Accounting for business combinations with goodwill. Accounting for business combinations with bargain purchase. The reverse acquisition. The merger of the parent to subsidiary.	2	Practical exercises: Billing and recording of acquisition with goodwill. Billing and posting of acquisition with profit from a bargain purchase.	2
	Goodwill: definitions, aspects, goodwill measurement methods. Initial and subsequent measurement of goodwill by IFRS and HSFI.	2	Practical exercises: subsequent measurement of goodwill in accordance with IFRS (IAS 36) and HSFI (HSFI 2).	2
	Division of companies in accordance with Croatian Companies Act.	2	Practical exercises: Separation with establishing and separation with takeover. Segregation with establishing and segregation with takeover.	2
	The legal framework for consolidation: ZOR, ZTVP, IFRS 10, IAS 27, IFRS 12 and HSFI 2. Theories of consolidation. Structure of the group.	1	Practical exercises: Eliminate investment and measure of minority interest at acquisition date.	2
	Consolidation of financial statements at acquisition date. Eliminate investment and measure of minority interest.	2	Practical exercises: Elimination of intragroup dividends, receivables, liabilities after acquisition date.	2
	Elimination of intragroup dividends, receivables, liabilities.	2	Practical exercises: Elimination of intragroup revenues, expenses and unrealized profits from supplies transfer. Upstream and downstream inventories transfers. Eliminations in the year of transfer and in years after transfer of inventories.	2
	Elimination of intragroup revenues, expenses and unrealized profits from inventories transfer. Deferred taxes (IAS 12).	2	Practical exercises: Elimination of intragroup revenues, expenses and unrealized profits from fixed assets transfer which is amortized and not amortized.	2
	Elimination of intragroup revenues, expenses and unrealized profits from fixed assets transfer. Deferred taxes (IAS 12).	2	Practical exercises: Consolidation of the financial statements of foreign transactions at acquisition date and after acquisition date.	2
	Consolidation of the financial statements of foreign subsidiaries (IAS 21).	2	Practical exercises: Accounting for joint arrangements: joint management and joint affairs.	2
	Accounting for joint arrangements (IFRS 11).	2	Practical exercises: Accounting for investments in associates by applying the equity method.	

	Accounting for investments in associates (IAS 28 and HSFI 2).	2		2		
Format of instruction	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input checked="" type="checkbox"/> partial e-learning <input type="checkbox"/> field work		<input type="checkbox"/> independent assignments <input type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)			
Student responsibilities	Students are obliged to attend classes regularly and achieve at least 70% of their arrivals. In order to get the signatures, students also have to attend classes regularly and take a positive step on four self-evaluation tests on Moodle's subject pages (more than 50%). The self-evaluation test consists of questions with multiple answers whose solution students gain insight into the level of knowledge acquired before going to the test.					
Screening student work (<i>name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course</i>)	Class attendance	1,0	Research		Practical training	
	Experimental work		Report		Selfevaluation tests (Other)	1,0
	Essay		Seminar essay			
	Tests	2,0	Oral exam (Zoom)	2,0	(Other)	
	Written exam	2,0*(both passed tests replace a written exam)	Project		(Other)	
Grading and evaluating student work in class and at the final exam	The final exam consists of two parts, written exam and oral exam (Zoom). During the course, students will be able to solve two tests on the basis of which the written part of the final exam is released. Scale for test / written exam grades: 0-49 insufficient (1) 50-64 sufficient (2) 65-79 good (3) 80-89 very good (4) 90-100 excellent (5) A test/written exam is deemed to be passed if the student has achieved a minimum of 50 points. If a student does not meet both tests with min. 50 points is required to take the written part of the final exam. After passing a written exam (or both tests) the student can access the oral exam. The final grade is formed as a sum: • average grade obtained by tests/written exam multiplied by a weight of 0.5, and • oral exam grade multiplied by the weight of 0.5.					
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media	
	Pervan, I. (2012): Računovodstvo poslovnih spajanja-prema MSFI i HSFI, Zagreb:RRiF Plus, Zagreb.			4	0	
	Authorized lectures and teaching materials				Moodle	

Optional literature (at the time of submission of study programme proposal)	<p>Books:</p> <ul style="list-style-type: none"> • Krimpmann, A., (2015): Principles of group accounting under IFRS, Wiley, Chichester. • Jeter, D., C., Chaney, P., K. (2013): Advanced Accounting, Prentice Hall, New Jersey. • Beams, F., Anthony, J., Clement, R., Lowensohn, S., (2003): Advanced Accounting, Prentice Hall, New Jersey. <p>Articles:</p> <ul style="list-style-type: none"> • Pervan, I, "Računovodstveni, pravni i porezni aspekti spajanja subjekata/poslovanja pod zajedničkom kontrolom ", Računovodstvo, revizija i financije, ISSN: 0353-8087, str. 50-70, broj 8, 2020. • Pretnar Abičić, S, "Sastavljanje konsolidiranih financijskih izvještaja za 2019", Financije, pravo i porezi, broj 7, 2020. • Pervan, I, "Računovodstvo obrnutog pripajanja (matice ovisnom društvu)", Računovodstvo, revizija i financije, ISSN: 0353-8087, str. 28-38, broj 6, 2017. • Pervan, I., "Novi zahtjevi za računovodstvo grupe", Novi zakoni za poslovanje, str. 279-301, Revicon, Neum (BiH), 2017. • Pervan, I, "Konsolidacija financijskih izvještaja za 2014. godinu", Financije, pravo i porezi, str. 25-38, broj 6, 2015. <p>Other sources:</p> <ul style="list-style-type: none"> • https://www.ifrs.org/ • https://www.efrag.org/ • http://www.osfi.hr/ • http://eur-lex.europa.eu/homepage.html?locale=hr 		
Quality assurance methods that ensure the acquisition of exit competences	<ul style="list-style-type: none"> • Monitoring the attendance and student performance (teacher); • Teaching supervision (Vice-dean for teaching); • Analysis of the success in all courses of study program (Vice-dean for teaching); • Student survey on the quality of teachers and teaching for each course of study program (UNIST, Quality Center); • The examination conducted by the subject teacher examines all learning outcomes of the course. Periodic examination of the content of the exam is carried out, based on the appropriateness of examining techniques for achieving the learning outcomes (Vice-dean for teaching). 		
Other (as the proposer wishes to add)			