

# Group Accounting and Performance

Course Introduction

# Course Objectives

- ▶ To familiarize with constitutive factors, creation purposes and processes of groups of companies
- ▶ To develop skills in preparing the consolidated financial statement
- ▶ To acquire the ability to perform an accurate analysis of groups performance

# Content (I)

The course is structured into 3 parts.

## **Part 1 – Group of companies: Genesis and morphology**

### 1.1 Variety of cooperative forms

1.1.1 Collaborations between firms: Why

1.1.2 Collaborations between firms: How

1.1.2.1 Non-equity aggregations

1.1.2.2 Equity aggregations

### 1.2 Group of companies concept, creation process and determinant

1.2.1 Reasons and definition

1.2.2 Constitutive factors

1.2.3 Creation processes

1.2.4 Determinants of groups creation

### 1.3 Group of companies classifications

# Content (II)

## Part 2 – Principles and practice of group accounts

2.1 Basic concepts: consolidated net income and equity

2.2 Consolidated financial statement: introduction and methodology

2.2.1 Objective and content

2.2.2 Logical and procedural steps

2.2.3 Technicalities

2.3 Consolidation methods

2.3.1 Full consolidation

2.3.2 Proportional consolidation

2.3.3 Equity method of consolidation

2.4 Consolidated financial statement according to IAS/IFRS

2.4.1 Sources of reference

2.4.2 Consolidation area

2.4.3 Consolidation procedure

# Content (III)

## Part 3 – Analysis of group performance

- 3.1 Limitations of CFSs and tools to investigate group performance
- 3.2 Concept of equilibrium for groups of companies
- 3.3 Economic equilibrium within groups
  - 3.3.1 Conceptual assessment
  - 3.3.2 Economic equilibrium worsening path
  - 3.3.3 Tools for the analysis of group profitability
- 3.4 Financial equilibrium
  - 3.4.1 Conceptual assessment
  - 3.4.2 Financial equilibrium worsening path
  - 3.4.3 Tools for the analysis of group financial equilibrium
- 3.5 Segment reporting
- 3.6 Reconciliation statement

# Course Format

- ▶ Theoretical and applicative lessons
- ▶ Group discussion of case studies and/or research reports
- ▶ Exercises on consolidated accounts
- ▶ Analysis of consolidated financial statements

# Studying Materials

- ▶ Slides, case studies, research reports and all other teaching materials provided by the e-learning center
- ▶ Ditillo A., Caglio A., *Controlling Collaboration Between Firms*, CIMA Publishing, 2008 (only Chapter 1, available on the e-learning center)
- ▶ Gallimberti C., Marra A., Prencipe A., *Consolidation – Preparing and understanding consolidated financial statements under IFRS*, McGraw-Hill Education, Milano, 2013 (Chapters 3–6 and 8)
- ▶ Petersen C. V., Plenborg T., *Financial Statement Analysis*, Prentice Hall, 2012 (Chapters 4–7)

# E-learning Center

- ▶ Subscription to the e-learning center is **compulsory** to have access to teaching materials and notices
- ▶ Systematic monitoring of the e-learning center is highly recommended
- ▶ You can access the e-learning center by the following link:

[https://elearning.univr.it/j/index.php?option=com\\_wrapper&Itemid=60&url=/sso/accedi\\_e.php?go=/e/course/view.php?id=1941](https://elearning.univr.it/j/index.php?option=com_wrapper&Itemid=60&url=/sso/accedi_e.php?go=/e/course/view.php?id=1941)

Students should simply digit their GIA username and password



# Exam Methods

- ▶ The exam consists of a written test
- ▶ An oral supplement may be required by students, only after being successful in the written test
- ▶ The written test may include multiple-choice questions, semi-open questions, case analysis and numerical exercises

# Lecture Timetable

- ▶ Tuesday            11:30 –14:00            VM1
- ▶ Wednesday        9:30 –12:00            VM1
  
- ▶ Suspended lessons will be notified to students by e-mail (upon subscription to the e-learning center)

# Office Hours & Contacts

- ▶ Dr. Cristina Florio is available immediately before or after her lessons (on appointment)  
[cristina.florio@univr.it](mailto:cristina.florio@univr.it)
- ▶ Dr. Francesca Rossignoli is available once a week, see her notice on the e-learning center  
[francesca.rossignoli@univr.it](mailto:francesca.rossignoli@univr.it)