



## Inter-Company Investments and Consolidated Financial Statements

This course will cover the accounting for investments in debt and equity securities, and investments in net assets as a prelude to understanding consolidations of financial statements. The consolidation of financial statements will be covered in detail including understanding the elimination of inter-company dividends, inter-company transactions, and inter-company accounts. Goodwill and other adjustments are covered, along with the creation and adjustments to Minority Equity.

### Available Session(s):

08-Sep-2008 -- 09-Sep-2008    New York    USD \$2375

NY Institute of Finance -    9:00am - 4:30pm    Mon Tue  
Midtown

Instructor(s):[Christopher Broderick; ]

### Targeted Audience

This program will benefit anyone who wishes to enhance their existing skills and learn new ones. It should be of particular interest to: entry level finance professionals, investment professionals, research analysts, corporate bankers, fixed income analysts, credit analysts, mergers and acquisition professionals, equity analysts and mid-level career transitions.

### Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process, and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email [uscirculation@ft.com](mailto:uscirculation@ft.com). US and Canada enrollees only.

### Advance Preparation

No advance preparation required.

## Prerequisites

The participants must have completed the accounting bootcamp course.

## Learning Objectives

Students will be able to:

- Understand the various methods one company can invest in another corporation, including investments in debt securities, equity securities and net assets.
- Focusing on controlling investments in equity securities, understand the differences between the cost, equity and fair market value methods of investments in equity securities.
- For controlling equity investments, participants will be able to combine two or more companies into one consolidated financial statement, eliminating various inter company relationships to produce a stand alone statement.

## Follow-Up Courses

Advanced Financial Accounting Topics

Accounting for Derivatives & Hedging

Accounting for Mergers & Acquisitions

**Level:** Intermediate

**CPE Credits:** 14.0

**Instructional Method:** Group-Live

## Detailed Outline

### Day 1

#### Accounting for Investments

- Investments in debt securities (including fair market value adjustments)
- Investments in equity securities (including fair market value adjustments)
- Purchase method of accounting for cash and stock acquisitions
- Cost and equity method accounting
- Net asset acquisitions
- Case: Coca-Cola

#### Consolidated Financial Statements

- Structure and creation of consolidated financial statements
- Elimination of intercompany dividends

### Day 2

#### Consolidated Financial Statements (con'd)

- Elimination of intercompany accounts
- Creation of goodwill and other adjustments (revaluation of identifiable tangible and intangible net assets, et.al)
- Minority equity
- Minority interest in income of subsidiaries
- Dividends paid to minority shareholders

- Elimination of intercompany transactions

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