

## Consolidated Financial Statements and Financial Analysis

### General Information

<b>Module Code</b>	W.MSCIFM_CON03.19
<b>Programme</b>	Master of Science / International Financial Management
<b>Type of Module</b>	Core module in foundation
<b>Level of Module</b>	Intermediate
<b>ECTS Credits / Workload</b>	3 ECTS Credits (90 hours)

### Module Dependencies

<b>Pre-requisites</b>	All course admission requirements must be met before the start of this module (including sound knowledge of financial accounting and cash flow reporting). Module W.MSCIFM_FAA02 (optional) is not a prerequisite but strongly suggested as a refresher and introduction.
<b>Follow-up modules</b>	W.MSCIFM_AFA04 (Advanced Financial Accounting and Reporting)

### Module Aims

Using case studies, the students can solve, understand and interpret practical problems of the consolidated financial statements and the analysis of financial ratios.

## Submodule 1: Consolidated Financial Statements

<b>Submodule code</b>	CFS
<b>ECTS Credits / Workload</b>	2 ECTS Credits (60 hours)

### Learning Outcome 1

Students apply consolidation procedures and rules to establish group financial statements. The students know the practically relevant processes for consolidation.

	<b>Importance</b>	<b>Relevant NQF-Descriptors</b>
Subject knowledge and skills: Students summarize the steps and activities of the financial consolidation process, enumerate and explain the types of inclusion of affiliated companies into consolidated statements according to accounting standards (e.g. IFRS).	medium	application
Problem-solving: Students select and use the correct method of inclusion into consolidated financial statements based on the degree of influence in line with applicable accounting standards.	medium	application; judgement
Methodology: Students prepare a consolidated balance sheet and a consolidated statement of comprehensive income. They apply their knowledge of transition from local GAAP to Accounting Standards, based on group accounting, deferred taxation, initial consolidation, goodwill accounting, foreign currency translation, elimination entries and subsequent consolidation.	high	knowledge; application; judgement

### Learning Outcome 2

Students will understand how the consolidated financial statements are prepared in practice.

	<b>Importance</b>	<b>Relevant NQF-Descriptors</b>
--	-------------------	---------------------------------

Subject knowledge and skills: The students are familiar with important practical problems in the preparation of consolidated financial statements using technical aids.	high	knowledge; application
Problem-solving: The students can accompany the technical implementation of the consolidated financial statements and identify relevant problem areas.	medium	application; judgement

### Content Outline

- Overview of the procedures and activities in order to establish consolidated financial statements
- Reconciliation work on legal entity level, including goodwill accounting and deferred taxation
- Consolidation and elimination on group level, including foreign currency translation
- Initial and subsequent consolidation issues
- Textbook used: Melville, A. (2017). International Financial Reporting, 6th ed., Harlow:Pearson

### Teaching and Learning Methods

<b>Contact Hours</b>	seminar; exercises; discussion; case studies
<b>Directed Study</b>	individual work; compulsory reading

### Workload

<b>Contact Hours</b>	24 lessons / 18 hours (30%)
<b>Directed Study</b>	0 lessons / 0 hours (0%)
<b>Private Study</b>	42 hours (70%)

### Assignments and Assessments

Assessment Type	Quantity	Weight	Form	Evaluation Type	Time
Written examination	60 minutes	100%	open book	grades	during semester

## Submodule 2: Financial Ratios and Analysis

<b>Submodule code</b>	FRA
<b>ECTS Credits / Workload</b>	1 ECTS Credits (30 hours)

### Learning Outcome 1

Students can independently create and evaluate a company-based key figure analysis. Students are able to present their findings in plenary sessions and answer questions.

	Importance	Relevant NQF-Descriptors
Subject knowledge and skills: Students can correctly apply formulas for key figures in concrete cases.	medium	knowledge; application
Problem-solving: The students will be able to work on the material on the basis of a practical case study.	high	knowledge; application

### Content Outline

- Brief overview of the field of key figure analysis: data cleansing, use of formulas, influence of financial accounting
- Analysis of financial reports
- Selection, calculation & evaluation of relevant key figures
- Presentation of key figure analyses
- Textbook used: Melville, A. (2017). International Financial Reporting, 6th ed., Harlow:Pearson

### Teaching and Learning Methods

<b>Contact Hours</b>	seminar; presentations
<b>Directed Study</b>	group work

### Workload

<b>Contact Hours</b>	12 lessons / 9 hours (30%)
<b>Directed Study</b>	0 lessons / 0 hours (0%)
<b>Private Study</b>	21 hours (70%)

---

**Assignments and Assessments**

---

<b>Assessment Type</b>	<b>Quantity</b>	<b>Weight</b>	<b>Form</b>	<b>Evaluation Type</b>	<b>Time</b>
Individual written assignment		100%	case study	grades	during semester