

MASTER II Management Bancaire et Finance Internationale

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US ACCOUNTING AND FINANCIAL ANALYSIS
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Outline Syllabus

Application of International Accounting Standards & International Taxation

PART 1

INCOME AND ASSET VALUE MEASUREMENT (REVISION)

- a) Accounting and Reporting on an Accrual Basis
- b) Financial Reporting: Statues and International Accounting standards
- c) Conceptual Framework

PART 2

REGULATORY FRAMEWORK (INTERNATIONAL ACCOUNTING STANDARDS & EU DIRECTIVES)

- a) Published Accounts of Companies
- b) Preparation of Published Accounts

PART 3

BUSINESS COMBINATIONS –INTRODUCTION TO GROUP ACCOUNTS

Learning

Objectives:

- Differentiation between group accounts and consolidated accounts
- Appreciation of the various methods of combining businesses
- Outline of how investments are accounted for in the individual accounts of the parent companies
- Understand different types of group structures
- Appreciation of the conceptual background underlying group accounts.

PART 4

A) CONSOLIDATED BALANCE SHEET- APPLICATION OF THE EU 4TH AND 7TH DIRECTIVE

Learning Objectives:

- Preparation of a simple consolidated balance sheet
- Identify minority interests in the group's net assets
- Deal with the subsidiary's preference share capital when preparing the consolidated balance sheet
- prepare a simple set of consolidated balance sheet working T accounts

B) CONSOLIDATED PROFIT & LOSS ACCOUNT- APPLICATION OF THE EU 4TH AND 7TH DIRECTIVE

Learning Objectives:

- Preparation of a detailed consolidated profit & loss account from data on individual group companies
- set out workings for the consolidated profit & loss account
- Incorporate adjustments for unrealized profit, fair value depreciation and goodwill
- Calculate minority interest in subsidiaries' profits for the reporting period
- Cancel inter-company dividends.

PART 5

INTERNATIONAL TAXATION (OUTLINE ONLY)

- Outline of OECD Double Taxation Model Convention
- Application of OECD Model to Transfer Pricing and Thin Capitalization*
- International Tax Avoidance
- The European Holding Company
- The Parent Subsidiary Directive
- The Merger Directive

*N.B. The practical application of thin capitalization rules destroys the Modigliani & Miller hypotheses regarding 100% debt in a company's capital structure.