

<b>Study Course Title</b>	<b>Financial Accounting II</b>
<b>Study Course Code</b>	EkonB130
<b>Branch of Science</b>	Economics and business
<b>Sub-branch of science</b>	Finance and credit
<b>Credits (ECTS)</b>	<b>3</b>
<b>Total Number of Contact Hours</b>	<b>30</b>
<b>Number of Lecture Hours</b>	10
<b>Number of Seminar and Practical Assignment Hours</b>	20
<b>Number of Hours for Laboratory Assignments</b>	0
<b>Independent Study Hours</b>	<b>45</b>
<b>Language of Instruction</b>	English
<b>Responsible Unit</b>	BA School of Business and Finance of the University of Latvia

**Prerequisite Knowledge**

Financial Accounting I, Corporate Financial Management I

**Study Course Abstract**

The aim of this study course is to ensure knowledge and practical skills about an enterprise group financial statements' consolidation and the enterprises that should be involved in the consolidation. To give the students the insight about the consolidation basic principles and the annual report's processing, auditing and approval.

**Course Plan Full-time Regular Studies**

1. International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), its essence and role in the international accounting practice. 2L 4S
  2. Group's concept and essence. Concept of parent and subsidiary. Consolidation essence. 1L 2S
  3. Determination of the enterprises that should be involved in the consolidation. 1L 2S
  4. Matter and form of the consolidated financial report, its processing's basic principles in the group. 1L 2S
  5. Information disclosure principles in the group. 1L 2S
  6. Consolidation of the subsidiary (full consolidation). 1L 2S
  7. Consolidation of the jointly controlled entity (proportional consolidation). 1L 2S
  8. Investments in associates and its recognition in the consolidated financial statement. 1L 2S
  9. Organizational preconditions in order to process the consolidated financial statement. 1L 2S
- Total 10L 20S

**Characterization of students' independent work organization and tasks**

The independent study work includes the acquisition of theoretical materials, the study of consolidation principles and the performance of practical tasks. Students analyse the structure of the group, apply consolidation methods and prepare consolidated financial statements. The

work provides the ability to independently solve tasks related to the preparation of financial statements.

**Learning Outcomes**

Knowledge:

1. To master new knowledge without assistance, to analyse and systemize acquired information. To comprehend current tendencies of the financial environment development, to be competent in financial environment ongoing processes and to be able to make decisions in changing conditions.

Skills:

2. To comprehend the group's concept and essence. To comprehend the consolidation essence, to determine the enterprises to be involved in the consolidation. To comprehend the consolidation methods of financial statements.

Competence

3. To be acquainted with the consolidated financial report processing and to be able to put it into practice.

**Requirements for Awarding Credits**

Intermediate assessment:

- 1. active participation in discussions and seminars – 10%
- 2. written work in a classroom – 50%

Final assessment:

- 3. final exam – 40%

**Criteria for Evaluating Learning Outcomes**

In accordance with Regulations of the Cabinet of Ministers of the Republic of Latvia, at the end of the course, students' knowledge is evaluated according to the following criteria: the amount and the quality of the obtained knowledge, acquired skills and competence in compliance with the planned learning outcomes.

Type of Assessment	Learning Outcomes		
	1	2	3
1. active participation in discussions and seminars	+	+	+
2. written work in a classroom	+	+	+
3. final exam	+	+	+

**Compulsory Reading List**

- 1. Annual Accounts Law of Latvia
- 2. Law on Consolidated Annual Accounts of Latvia
- 3. International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Plagiarism and other academic misconducts are not permitted within the course please refer to the Regulations for Academic Integrity at the University of Latvia. Within this course, the use of generative artificial intelligence (AI) tools is allowed in exceptional cases, if it has been specified and authorised in writing by the instructor of this course. In all other cases, submission of materials generated by the AI (text, images, audio, video, etc.) in independent and group assignments, test, examination or any other assessment is not permitted, submission of this type of material will be considered an unauthorised use of aids.