

Learning Objectives

- Analyze transactions under the new definition of a business
- Recognize the accounting and reporting requirements for a business combination using the acquisition method
- Recognize accounting alternative for goodwill available to private (nonpublic) companies
- Recognize when financial statement consolidation is appropriate
- Identify how consolidation is reported and disclosed
- Calculate different valuations recorded in a combined financial statement

Chapter 1: Business Combinations

- Background
 - Relevant Accounting Pronouncements
 - General Rules
- Definition of Business
 - Overview
 - Key Concepts
- Forms of Business Combinations
- The Acquisition Method
- Accounting and Reporting Under the Acquisition Method
 - Statutory Merger
 - Statutory Consolidation
 - Acquisition
 - Treatment of Intangible Assets
 - Definition of Goodwill under the Acquisition Method
 - Treatment of Goodwill
- Income Statement Reporting
 - Direct Combination Costs and Stock Issuance Costs
 - Restructuring Costs
 - Preacquisition Contingencies
 - Contingent Consideration
 - Pushdown Accounting
 - Contrast of Acquisition Method with Purchase and Pooling of Interests Methods
 - Steps to Accounting under the Acquisition Method
 - Research and Development Costs Acquired as Part of a Business Combination
 - Income Taxes
 - Disclosures

Chapter 2: Consolidated Financial Reporting

- Relevant Authoritative Pronouncements
- Exceptions to Consolidation of Majority Owned Subsidiaries
- Steps to Achieve Consolidation
- Consolidation Worksheet Entries and Examples
 - Comprehensive Consolidation Problem—Acquisition Method
- Consolidation of Noncontrolling (Minority) Interests
- Contrast of Acquisition and Purchase Methods for Noncontrolling (Minority) Interests
- Spin-Offs
- Consolidation Reporting—Other Topics
- Taxes
- Accounting for Transfers of Financial Assets (ASC 860)
 - Accounting Treatment
- Variable Interest Entities (VIEs)
 - Fair Value Option Relating to VIEs
 - Private Companies
 - Disclosure
- Disclosures
- Combined Financial Statements