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Course Information

Course Title: Business Combinations and Consolidations #363422

Number of continuing education credit hours recommended for this course:

CPA: 3 .5 (All states)

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

National Registry of CPE Sponsors ID Number: 107615 (accepted by all states).

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021 (.51PSR for the ethics course)

Pennsylvania Board of Accountancy: PX 178025

Texas State Board of Accountancy: 009349

Course Description

The typical accountant views the accounting for business combinations with a certain amount of trepidation. This course reduces the anxiety level by describing all aspects of the associated accounting, including the identification of goodwill, reverse acquisitions, and related disclosures. The course also notes how to account for a reduced investment in an investee using the equity method. It goes on to discuss goodwill impairment, the consolidation of financial statements, and the steps involved in integrating accounting activities following a business combination. In short, *Business Combinations and Consolidations* provides a solid toolkit for dealing with the accounting side of mergers and acquisitions.

Course Content

Publication/Revision date: 10/18/2022.

Author: Steven M. Bragg, CPA.

Final exam: Eighteen questions (multiple-choice).

Program Delivery Method: NASBA QAS Self-Study (interactive)

Subject Codes/Field of Study: Accounting

Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

- Identify the circumstances under which step and reverse acquisitions occur.
- Specify the calculations required to determine the amount of ownership in an investee under the equity method.
- Recognize the situations in which impairment testing is to be conducted, and when goodwill amortization can be used.
- Identify the situations in which a controlling financial interest cannot be determined, as well as the types of eliminations used when conducting a consolidation.
- Recognize when financial statements are considered to be special-use.
- Identify the rules for dealing with intercompany transactions in the consolidated financial statements.
- Recognize the actions needed to centralize accounting activities following a business combination.

About the Author

Steven Bragg, CPA, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

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