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Course Information

Course Title: Business Combinations and Consolidations #3634

Number of continuing education credit hours recommended for this course:

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

CPA: 3 (All states)

National Registry of CPE Sponsors ID Number: 107615.

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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Program Delivery Method: QAS Self-Study (interactive)

Subject Codes/Field of Study: Accounting

Level: Overview

Prerequisites: Basic familiarity with accounting practices.

Advance Preparation: None

Course Description

The *Business Combinations and Consolidations* course describes the accounting for business combinations, including the identification of goodwill, reverse acquisitions, and disclosures. The course also notes how to account for a reduced investment in an investee using the equity method. The course goes on to discuss goodwill impairment, the consolidation of financial statements, and the steps involved in integrating accounting activities following a business combination.

Course Content

Publication/Revision date: 12/26/2014.

Course book: *Business Combinations and Consolidations* by Steven M. Bragg, CPA.

Final exam (online): Fifteen questions (multiple-choice).

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. The exam for this course may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed below and studying the review questions at the end of each chapter. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

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.
- Note 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 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 the 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 the following books:

Accountants' Guidebook	Credit & Collection Guidebook
Accounting Controls Guidebook	Financial Analysis
Accounting for Inventory	Fixed Asset Accounting
Accounting for Investments	GAAP Guidebook
Accounting for Managers	Human Resources Guidebook
Accounting Procedures Guidebook	IFRS Guidebook
Bookkeeping Guidebook	Inventory Management
Budgeting	Investor Relations Guidebook
Business Combinations & Consolidations	Lean Accounting Guidebook
Business Ratios	Mergers & Acquisitions
CFO Guidebook	New Controller Guidebook
Closing the Books	Nonprofit Accounting
Constraint Management	Payables Management
Corporate Cash Management	Payroll Management
Corporate Finance	Project Accounting
Cost Accounting Fundamentals	Public Company Accounting
Cost Management Guidebook	Revenue Recognition

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Table of Contents

Chapter 1 - Business Combinations	1
Overview of Business Combinations	1
Identifiable Assets and Liabilities, and Noncontrolling Interests	3
Goodwill or Gain from Bargain Purchase	5
Goodwill Calculation	5
Bargain Purchase	6
Reverse Acquisitions	6
Related Issues	8
Acquisition of Assets	8
Transactions between Entities under Control of Same Parent	9
Pushdown Accounting	9
Income Taxes	9
Business Combination Disclosures	10
General Disclosures	10
Identifiable Assets and Liabilities, and any Noncontrolling Interest	12
Goodwill or Gain from Bargain Purchase	12
Reverse Acquisitions	13
Transactions between Entities under Control of Same Parent	14
Income Taxes	14
Chapter 2 – The Equity Method.....	16
The Equity Method.....	16
Partnerships, Joint Ventures, and Limited Liability Entities	18
Equity Method Disclosures	19
Chapter 3 - Goodwill Impairment.....	21
Goodwill.....	21
Goodwill Amortization.....	24
Goodwill Disclosures	25
Chapter 4 - Financial Statement Consolidation	28
Overview of Consolidations	28
Recognition of a Consolidation	29
Consolidation Examples.....	31
Recognition of Noncontrolling Interest	31
Sale of Shares by Subsidiary.....	32
Share of Accumulated Other Comprehensive Income	32
Full Consolidation Example	33
Consolidation of Variable Interest Entities	34
Initial Consolidation	35
Subsequent Consolidation.....	36
Consolidation of Leasing Entities by Private Companies	36
Consolidation of Contractually-Controlled Entities	36
Control of Partnerships.....	37
Termination of a Consolidation.....	38
Consolidation Presentation.....	39
Consolidation Disclosures	40
Chapter 5 - Accounting Integration	44
Accounting Integration Activities	44
Answers to Chapter Questions	50
Glossary	54
Index	56

Preface

The typical accountant is well-versed in the accounting for daily operational transactions, but finds the accounting for business combinations and consolidations to be quite foreign. In some cases, they may outsource this work to experts, rather than taking the risk of making a mistake. The *Business Combinations and Consolidations* course is designed to improve the accountant's familiarity with the topic by addressing business combinations, the equity method, goodwill accounting, and consolidations. As a bonus, we have also included a discussion of the tasks needed to fully integrate the accounting operations of the acquirer and the acquiree.

You can find the answers to many questions about business combinations and consolidations in the following chapters, including:

- What steps are required to complete the acquisition method?
- Which intangible assets can be recognized as part of a business combination?
- How do I account for a bargain purchase?
- How do I account for an investment under the equity method?
- Under what circumstances can I amortize goodwill?
- What steps are involved in the consolidation of financial statements?
- When can I consolidate a variable interest entity?

This course is updated regularly to reflect changes in the accounting standards.

Centennial, Colorado
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