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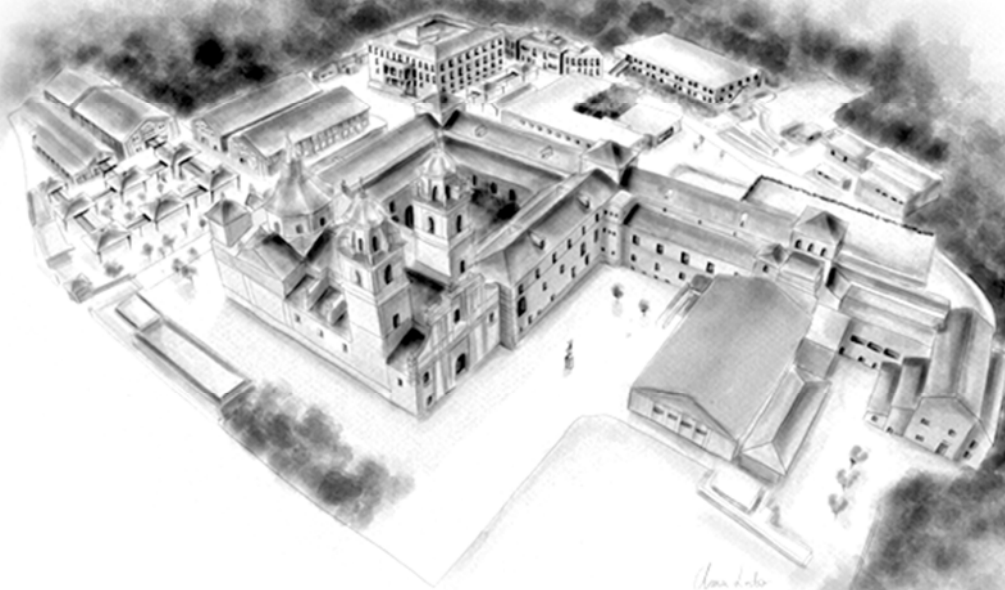
*20 años*  
*de educación,*  
*amor y servicio*

# Teaching Guide 2017/2018

*Corporate Accounting*

Bachelor Business Administration

Face-to-face mode



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## Corporate accounting

# Corporate accounting

Module: **Accounting**.

Field: **Management Accounting**.

Character: **Obligatory**

ECTS: **4.5 ECTS**.

Time period: **Second Course, third semester**

Teacher: **Nicolás González Gallego**

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Student's attention timetable: **Monday, 12:30-13:30 (please, send email previously)**

Module coordinator teacher: **María Isabel Ros Clemente**

## Brief Description

Corporations keep a registry of all their operations by means of accounting techniques, and therefore the course on Corporate Accounting will study operations such as the formation of a corporation, distribution of profits, capital increases and reductions, and treasury shares.

Ultimately, the course in Corporate Accounting deals with knowledge of corporate regulations and accounting regulations in the field of corporations, which in many cases are key to an understanding of the mechanisms of corporations in general and their particular environment.

## Previous requisites

In order to maximize the learning results of this subject, the student should have enough knowledge of algebra and calculus in order to be able to solve second degree equations or superior.

For this subject, students must have sound knowledge of financial accounting; hence they must have passed and acquired competences assigned to the first course subject "Financial Accounting".

It is necessary to have elementary knowledge of financial mathematics, and therefore, it is advisable to have passed and acquired the competences assigned to the first course obligatory subject "Financial Mathematics".

## Objetives

1. Interpret and apply trade regulations.
2. Elaborate information related to a corporation by applying accounting methodology and the principles and regulations of the General Accounting Plan.
3. Perform and inform about accounting actions necessary to create a corporation, capital increase, capital reduction, subscription rights and treasury shares.
4. Analyse the situation of the corporation through economic-financial analysis of the corporation accounting statements.

## Competences and training results

### Cross-curricular subjects

(T1) Ability of analysis and synthesis

(T2) Organization and planning ability

(T6) Information management ability

(T7) Problem solving

(T9) Perform team work.

(T16) Autonomous learning

(T24) Capacity of reflection

(UCAM2) Consider Christian humanism principles as essential values in the development of the professional practice.

(UCAM6) Acquire team work ability, to work with same or different field professionals.

### Specific competences

(E19) Ability to apply knowledge in practice

(E20) Acquire the ability to search for information and perform research.

(E39) Understand and use of ledgers and the systems of information

(E43) Analyze the problem of a corporation and design a solution.

(E48) Assess the situation of a corporation and the foreseeable evolution, from the relevant records of information.

(E51) Identify relevant economic information sources and their contents.

(E54) Use regularly information technology and communications in all their professional development.

(E56) Apply to the analysis of the problems professional criteria based on the technical tools management.

(E57) Communicate fluently in the field common situations and work in teams.

### Learning results

## Corporate accounting

- Solve case accounting studies adapted to reality.
- Analyze information from Financial Statements.
- Obtain a corporation annual accounting report in the Commercial Registry and perform its analysis.
- Know how to interpret the different financial statements of a corporation.
- Be able to analyze accounting information by interpreting correctly the information reported.
- Connect relevant information from financial statements with the corporation financial-economic evolution.
- Interpret results by connecting the different elements of analysis.
- Connect relevant information for the analysis with the accounting statements that provide it.
- Perform accounting inquiries to the competent organisms through the ICT
- Search accounting information for case studies' solutions.
- Know and use the most suitable technological accounting tools in each situation.
- Solve accounting study cases in work teams.
- Solve problems by using professional criteria and techniques.
- Use correct accounting terminology in task performance.
- Understand, reason and synthetize contents within Management Accounting scope.
- Manage and organize accounting information acquired during the learning process.
- Organize and know how to use accounting information from different contexts.
- Acquire the necessary abilities to solve problems in the field of Management Accounting.
- Acquire and implement collaboration strategies and abilities to foster team work in the problem solving and in decision making within Management Accounting.
- Manage the learning process in a proactive way to apply techniques and regulations of Management Accounting correctly.
- Generate learning abilities that allow later studies in Management Accounting with a high level of autonomy.
- Think reasonably and in a critical way about questions related to Management Accounting.
- Recognize and assess Christianity contributions to an integral view of personal education, necessary for Management Accounting.
- Collaborate with other professionals and recognize the different contributions that other fields of knowledge carry out when working in the field of Management Accounting.
- Diagnose solvency, liquid assets and indebtedness.
- Set out solutions for the problems detected.
- Use a logical structure and write with orthographic correction.

## Methodology

Methodology	Hours	Face-to-face work hours	Non-face-to-face work hours
Master class (65%)	39	60 hours (40 %)	
Practice workshops (8%)	4,8		
Assessment (7%)	4,2		
Tutorials (20%)	12		
Personal study (45%)	40,50	90 hours (60 %)	
Tasks (30%)	27		
Practice clases (15%)	13,50		
Bibliographic search (10%)	9		
<b>TOTAL</b>	<b>150</b>		

## Syllabus

### Unit 1: Formation of a corporation

#### 1.1 Regulation. Concepts

##### 1.2 Single-act formation

###### 1.2.1 Single-act formation with cash contributions

###### 1.2.2 Single-act formation with non-cash contributions

#### 1.3 Sequential formation

##### 1.3.1. Sequential formation with total subscription.

##### 1.3.2. Sequential formation with undersubscription.

##### 1.3.3. Sequential formation with oversubscription.

#### 1.4 Formation: the problem of defaulter stockholders

#### 1.5 Case studies

## Corporate accounting

### Unit 2: Allocation of profits

- 2.1. Regulation. Accounting.
- 2.2. Offsetting losses of prior years.
- 2.3. Legal reserve.
- 2.4. Allowance to the reserve for goodwill.
- 2.5. Statutory reserve.
- 2.6. Other reserves.
- 2.7. Dividends.
- 2.8. Founder bonds and profit sharing.
- 2.9. Case studies

### Unit 3: Capital reduction

- 3.1 Requirements. Goals. Forms of capital reduction. Creditors' right to challenge the capital reduction.
- 3.2 Types of capital reduction
  - 3.2.1 Capital reduction to refund shareholders' contributions.
  - 3.2.2 Capital reduction to cancel outstanding contributions.
  - 3.2.3 Capital reduction to create or increase legal or voluntary reserve.
  - 3.2.4 Capital reduction to restore the balance between capital and corporate net equity, adversely impacted by losses
  - 3.2.5 Other capital reduction types.
- 3.3 Case studies

### Unit 4: Capital increase

- 4.1 Requirements. Goals. Forms of capital increase.
- 4.2. Cases.
  - 4.2.1. Capital increase with cash contributions
  - 4.2.2. Capital increase with non-cash contributions
  - 4.2.3. Capital increase by set-off of debts due by the company
  - 4.2.4. Capital increase due to capitalization reserves or profits.

## Corporate accounting

4.3. Case studies.

### Unit 5: Subscription rights.

5.1. Introduction

5.2. Accounting

5.3. Calculation of the theoretical value of the subscription rights.

5.4. Case studies

### Unit 6: Treasury stock

6.1. Introduction

6.2. Forms of purchasing treasury stocks.

6.3. Sale of treasury stocks.

6.4. Redemption of shares

6.5. Case studies.

## Connection with other subjects of the study plan

There is evident relationship among all the rest of the subjects of “Accounting” module, mainly with “Financial Accounting” and “Corporation Accounting and analysis of financial statement”.

There is also a clear relationship with the subjects of the module of financial economy, particularly with the subject “Financial Mathematics”, which provides mathematical and financial law knowledge about income, interests and amortization processes which in many cases are the key to understand the complex mechanisms of financial economy in general, and accounting and its particular scenery.

It also presents an important relationship with the subjects of trade law, mathematics and business economy.

## Assessment system

### February/June call

**Written exam:80%.**

There will be two exams with a series of theory short questions and exercises or practice question and assumptions resolutions within the problematic studied. The first exam will be 40% and the second one 40%.

**Student’s involvement in other activities: 20%**



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The use of different information sources will be assessed through a task performed through a formal schema, in order to develop in depth a current issue previously proposed by the teacher, associated to the knowledge acquired.

### September Call:

- **Written exam:** 80%.
- **Practice part:** students involvement in training activities 20%.

### February/June Call

The student will pass the subject in the February/June call when the arithmetic mean, according to the three grade percentages (two written exams and involvement) is equal or higher than 5.

If the student has less than 5 points in any of the three grades (the two written exams and the involvement), he/she will have to resit to pass in September, keeping the grades equal or higher than 5.

### September Call:

The student will pass the subject in September call when the arithmetic mean, according to the three grade percentages fixed in the three grades (two written exams and involvement) is equal or higher than 5.

In case of not passing, he/she will have to resit for the complete subject in later calls.

## Rating system:

The ratings system (RD 1.125/2003. 5th September) as follows:

0-4,9 Fail (SS)

5,0-6,9 Pass (AP)

7,0-8,9 Good (NT)

9,0-10 Distinction (SB)

The "Honors" mention can be awarded to those students with a degree of 9,0 or higher. This cannot be awarded to more than 5% of the students registered in a subject in each academic year, unless the number of students registered is less than 20, when there will be awarded only one mention.

## Bibliography and reference sources

### Basic bibliography

## Corporate accounting

- Legislative Royal Decree 1/2010 of 2 July, which approves the consolidated text of the Capital Companies Act
- Legislative Royal Decree 1514/2007 of 16th November, which approves the Spanish General Accounting Plan

## Complementary bibliography

- Law 16/2007, of 4th July, of remodelling and adaptation to trade law in accounting matters for their international coordination with base in the European Union regulations.
- De las Heras, M.L., (2009). Consolidation Rules (Commentaries and case studies). Madrid: Ed. Centro de Estudios Financieros.

## Webs associated

- <http://www.einforma.com> Informes de empresa
- <http://www.icac.meh.es> Asociación Española de Contabilidad y Administración de Empresas
- <http://www.aeca.es/pub/refc/refc.html> Instituto de Contabilidad y Auditoria de Cuentas
- <http://www.tecnicacontable.com> Revista de contabilidad Técnica Contable
- <http://www.rc-sar.es/> Revista de contabilidad
- <http://www.iberinform.es> Información financiera – Grupo Crédito y Caución
- <http://www.registradores.org> Colegio Oficial de Registradores

## Study recommendations

Daily study of concepts explained is recommended, particularly that related to practice cases solving before the resolution in class. It is also very important to consult doubts and questions that may lead to difficulties in the learning-teaching process, for what personal and programmed tutorials are recommended, as well as the use of the virtual campus and email. As for tuition is concerned, we recommend regular revision.

## Didactic material

It will be necessary to have a PC with all the necessary programs installed (text editor, spreadsheet, presentation tools, etc.) We also recommend students to use memory devices (USB, CDs or DVDs) to make easier the interchange of information in presentations such as Power Point, exercises, case study, etc., during the face-to-face classes. We also recommend the use of calculator and access to the Internet.

The work basic material of the subject “Financial Mathematics” consists of a dossier prepared by the teacher and handed out to the students, as well as exercises and assumptions provided by the teacher as support to the theoretical concepts.

Other resources are:

- Books

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- Reports from economy magazines
- Economy journals (Expansión, Cinco Días, Mi cartera...)
- Use of the audio-visual material. Some material resources can be: projector.
- Blackboard and calculator.

## Tutorials

Academic tutorial:

These tutorials have the aim of consolidating knowledge and abilities taught in the classes of the subject, at the same time will help to solve problems and doubts asked by the students. The hours for the tutorials will also be employed to the performance, follow up and assessment of the different tasks in order to contribute to the understanding of the subject methodology and systems of assessment.

Personal Tutorial:

The university also has a Special Team for tutorials with the students enrolled in the degree. The personal tutor accompanies the student during the complete university period. Criteria and aspects can be consulted in:

<http://www.ucam.edu/servicios/tutorias/preguntas-frecuentes/que-es-tutoria>