



Chapter 2: Accounting for Investments in Subsidiaries/Associates

1. Advantages of investing in stocks.
2. The relationship between the investing company and the invested company.
 - 2.1 Associated company
 - 2.2 Subsidiary company
3. Accounting for investments in subsidiaries and associated companies.
 - 3.1 Cost Method
 - 3.2 Equity Method



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4. Calculation and distribution of the difference between the cost and fair value of net assets at the date of share purchase.
5. Purchasing shares directly from the invested company.
6. The company being invested in holds cumulative preferred shares.
7. Investments in associate companies/joint ventures held indirectly through mutual funds.



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8. Tax benefits of a holding company.
9. Abandoning the conflict of interest method.
10. Disclosure of information.