



## **Chapter 3: Consolidated Financial Statements as of Share Acquisition Date**

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1. Objectives/Importance of Consolidated Financial Statements
2. Consolidated Financial Statement
3. The agency submitting the report.
4. Concepts for preparing consolidated financial statements.



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5. Preparation of consolidated financial statements.

6. Theory of Consolidated Financial Statements.

6.1 Proprietary or Parent-company Theory

6.2 Entity Theory



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### **7. Consolidated Financial Statements as of the Share Acquisition Date**

**7.1 The parent company holds 100% of the shares of the subsidiary.**

**7.2. A major company holds less than 100% of the shares in a subsidiary.**



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8. Distribution of the difference between the cost price/book value of the subsidiary's net assets at the date of share purchase.
9. Eliminating intercompany entries in the statement of financial position.