**NQF Level 6**
**Prescribed texts: Service, K., *Gripping GAAP 2026/2027* by LexisNexis**
**Code: GG**
***Business Combinations and Consolidations Study Guide*: CGISA (downloadable from student portal)**

The overall aim of the module is to demonstrate a thorough knowledge of financial accounting principles and their applications, and a basic knowledge of corporate financial accounting.

| Syllabus topics | Syllabus detailed content | Textbook |
|---|---|---|
| **Learning Outcome 1: U**nderstand the basics of Financial Accounting | | |
| Framework for the preparation and presentation of financial statements (IASB Framework; IAS1) | Users and their information needs | GG 2-3 |
| | Objective of financial statements | |
| | Qualitative characteristics of financial statements | |
| **Learning Outcome 2**: Prepare financial statements for limited companies | | |
| Preparation of financial statements for management and publication in compliance with statutory requirements: (Companies Act, Statements of Generally Accepted Accounting Practice [GAAP]) | IAS 1 Presentation of Financial Statements | GG 3 |
| | IAS 2 Inventories | GG 13 |
| | IAS 8 Accounting policies, changes in accounting estimates and errors | GG 26 |
| | IAS 10 Events after the balance sheet date | GG 18 |
| | IAS 16 Property, plant and equipment (excluding revaluations) | GG 7-8 |
| | IAS 18 Revenue | GG 4 |
| | IAS 33 Earnings per share (excluding rights issues, not at fair value, conversion rights, diluted earnings per share) | GG 23 |
| | IAS 37 Provisions and contingencies | GG 18 |
| **Learning Outcome 3:** Draft cash flow statements for management and other stakeholders. | | |
| Cash flow statements. | Preparation of cash flow statements using the direct and indirect methods | GG 27 |
| | Interpretation of cash flow statements for management and other stakeholders | |
| **Learning Outcome 4:** Demonstrate how tax is treated in financial statements. | | |
| Taxation | Elementary treatment of taxation (excluding deferred taxation) in financial statements | GG 5 |
| **Learning Outcome 5**: Prepare group financial statements for wholly and partially owned subsidiary companies. | | |
| Group financial statements | Theory and background to group statements | Business combinations and consolidations study guide |
| | IFRS 3 Business combinations | |
| | Consolidation at acquisition date | |
| | Consolidation after acquisition date | |
| | Intragroup transactions | |
| | Adjustments and sundry aspects | |
| | Consolidation of complex groups | |
| | Interim acquisition of an interest in a subsidiary | |
| **Learning Outcome 6**: Understand how financial statements can be used to make decisions. | | |
| Ratio analysis | Use of ratios for financial statement analysis | Chapter 11 Winfield, |

| | | |
|---|---|---|
| | Calculation of the following ratios | Graham & Miller Understanding Financial Statements: A Guide for Non-Specialists 4th ed (2024) Cape Business Seminars) (UFS) **Note also additional readings below** |
| | Liquidity | |
| | Profitability | |
| | Activity | |
| | Investment | |
| | Earnings and dividend per share | |
| | Interpretation of ratios for management and other stakeholders | |

| **Practical and work competencies** |
|---|
| • Prepare group financial statements for wholly and partially owned subsidiary companies.<br>• Interpret ratios for management and other stakeholders. Range: Earnings per share (including headline earnings per share), earnings yield, price/earnings ratio, dividend yield, net asset value, profitability ratios, solvency ratios and activity ratios; vertical and horizontal analyses; cash flow statements. |

**Prescribed readings**

- Business combinations and consolidations study guide

**Additional readings and resources: for downloading or reading/viewing::**

- Ratio analysis: https://youtu.be/Byr_FcqS_1o
- IAS 27 consolidated financial statements: https://www.youtube.com/watch?v=-20yjn41fok