



對外經濟貿易大學
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS

Chapter 12

Pooling of Interests Accounting





I. 教学目的

The student will learn about

- the reason why pooling accounting is preferred by most of the companies involved in business combinations
- the difference between purchase accounting and pooling accounting
- the unique attributes of pooling of interests accounting
- how to read a stockholders' equity account after pooling of interests



II. 教学计划

This chapter will cover 3 hours. 2 hours for the introduction of background information and explanations of terms and the texts. And the other 1 hour for discussion and practice.




III. 教学方法


- ◆ **Translation** of key sentences
- ◆ **Paraphrasing** of key words and expressions
- ◆ **Explanation** of new terms
- ◆ **Summarizing** of key passages
- ◆ **Discussion** of important issues
- ◆ **Questions and answers:** interaction between teachers and students



IV. 背景知识

- ◆ Pooling of interests accounting is one of the primary methods used to account for business combinations. About half a century ago, the method was first applied to public utilities by regulatory bodies.

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- ◆ Most corporate growth occurs through mergers and acquisitions (M&A)
 - ◆ **Merger** 兼并 is any combination that forms one economic unit from two or more previous ones, handled
 1. as a pooling of interest, or
 2. as a purchase




◆ Acquisition收购 refers to a consolidation in which the acquirer purchases all assets and liabilities of the acquiree




◆ Pooling of interests 权益/产权合并会计法

is a method of accounting whereby the consolidated balance sheet is constructed by simply adding together the balance sheets of the merged companies



◆ Purchase accounting 购买会计法 is a method of accounting whereby the consolidated balance sheet is prepared in much the same way the acquiring firm would *buy* any capital asset of the acquired firm, paying for it with cash, debt, or stock of the acquiring company



V. 重点讲解

1. 概念讲解

- ◆ carry forward 结转: the transfer of the total from one column of figures to the next in accounting



◆ financial statements 财务报表: a set of reports which are the end product of financial accounting process, including

- the balance sheet
- the income statement
- the statement of retained earnings
- the statement of cash flows




◆ book value 帐面价值: the historical cost amount as shown in the accounting records




◆ instant earnings 即时收益: immediate earnings brought about by pooling of interests accounting of business combinations



◆ retained earnings 留存收益: the difference between the total earnings to date and the total amount of dividends paid out to the shareholders to date



◆ goodwill 商誉: the amount by which the purchase price exceeds the value of the tangible assets, representing the value of the name, reputation, location, or other intangible resources of the purchased company




◆ amortization 摊销/分期摊还: an annual charge against income that reflects the estimated dollar cost of intangible asset, such as patents, copyrights, trademarks and goodwill, used up in the business operation process



◆ depreciation 折旧: the continuous conversion of long-lived tangible assets into an expense



◆ accumulated depreciation 累积折旧: the depreciation that has taken place on a particular asset up to the present time.



◆ contra account 对销帐户: An account which offsets another account. A contra-asset account has a credit balance and offsets the debit balance of the corresponding asset. A contra-liability account has a debit balance and offsets the credit balance of the corresponding liability.



◆ combination 企业合并/联营: a form of business operation when two companies are brought together in a single accounting entity




◆ equity account 股本金帐户: an account that records the amount the owners have invested in the firm




2. 句子讲解

1. Consistent with the view that the combining companies always have been together, comparative financial statements for periods before a combination that are included in financial reports issued subsequent to the combination are retroactively restated as if the companies always had been combined.




译文：与认定合并公司早已联营的观点一致，合并前发生的包括在合并后财务报表中的相关财务报表，均向前追溯重新做帐，合并公司被视为早已合并。



2. All costs associated with the combination or with issuing the stock used in the combination are expensed as incurred; none of the costs of bringing about the combination are capitalized, nor are the stock issue costs deducted from the recorded amount of the stock.

译文：所有与合并相关的费用或与合并相关的新发股费用都按实际支出入帐；公司合并的费用不能列为资本项目，新发股费用不能从记帐股本中扣除。



3. As indicated previously, the use of the book values rather than fair values often results in lower amortization charges and higher income subsequent to a pooling-type combination as compared with a purchase-type combination.

译文：如前所述，与购买型联合相比，采用帐面价值入帐而不采用市场价值入帐，通常会带来较少的费用分摊和较高的收益。