Use the Internet to research two (2) publically traded U.S. companies, and download their financial statements. Assume that you are the CEO of one of the selected companies. You are responsible for gaining control over the other company. You have three (3) choices, either of which you believe that the Board of Directors will support.

* Choice 1: Your company acquires 35% of the voting stock of the target company.
* Choice 2: Your company acquires 51% of the voting stock of the target company.
* Choice 3: Your company acquires 100% of the voting stock of the target company.

Write a five (5) page paper in which you:

1. Provide a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over.
2. Specify the overall manner in which the acquisition fits into your company’ strategic direction. Next, identify at least three (3) possible synergies that could occur as a result of the proposed acquisition.
3. Select two (2) out of the three (3) choices provided in the above scenario, and analyze the key accounting requirements for each of the two (2) choices that you selected. Next, suggest one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices.
4. Select the choice that you consider to be the most advantageous to your company. Explain to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company.
5. Assume two (2) years after the acquisition, your Board of Directors wants to offer the shares back to the public in hopes of making a large profit. Assume that in each of the two (2) years your company and the target company have had exactly the same reported net income as they did in the year of acquisition. Determine the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Provide support for your rationale.
6. Use at least three (3) quality academic resources in this assignment. **Note:** Wikipedia and other Websites do not qualify as academic resources.

Your assignment must follow these formatting requirements:

* Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
* Include a cover page containing the title of the assignment, the student’s name, the professor’s name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

* Examine the various methods of accounting for an investment in equity shares of another company.
* Analyze the accounting requirements for consolidated financial information on the date of acquisition and subsequent to the date of acquisition.
* Use technology and information resources to research issues in advanced accounting.
* Write clearly and concisely about advanced accounting using proper writing mechanics.

Grading for this assignment will be based on answer quality, logic / organization of the paper, and language and writing skills, using the following rubric.

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| **Points: 270** | **Assignment 1: Business Acquisitions** | | | | |
| **Criteria** | **Unacceptable**  **Below 60% F** | **Meets Minimum Expectations**  **60-69% D** | **Fair**  **70-79% C** | **Proficient**  **80-89% B** | **Exemplary**  **90-100% A** |
| 1. Provide a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over.  Weight: 10% | Did not submit or incompletely provided a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over. | Insufficiently provided a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over. | Partiallyprovided a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over. | Satisfactorilyprovided a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over. | Thoroughly provided a brief background introduction on both the company that you are working for and the company that you are responsible for gaining control over. |
| 2. Specify the overall manner in which the acquisition fits into your company’ strategic direction. Next, identify at least three (3) possible synergies that could occur as a result of the proposed acquisition. Weight: 15% | Did not submit or incompletely specified the overall manner in which the acquisition fits into your company’ strategic direction. Did not submit or incompletely identified at least three (3) possible synergies that could occur as a result of the proposed acquisition. | Insufficientlyspecified the overall manner in which the acquisition fits into your company’ strategic direction. Insufficientlyidentified at least three (3) possible synergies that could occur as a result of the proposed acquisition. | Partially specified the overall manner in which the acquisition fits into your company’ strategic direction. Partially identified at least three (3) possible synergies that could occur as a result of the proposed acquisition. | Satisfactorily specified the overall manner in which the acquisition fits into your company’ strategic direction. Satisfactorily identified at least three (3) possible synergies that could occur as a result of the proposed acquisition. | Thoroughly specified the overall manner in which the acquisition fits into your company’ strategic direction. Thoroughly identified at least three (3) possible synergies that could occur as a result of the proposed acquisition. |
| 3. Select two (2) out of the three (3) choices provided in the above scenario, and analyze the key accounting requirements for each of the two (2) choices that you selected. Next, suggest one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices.  Weight: 20% | Did not submit or incompletely selected two (2) out of the three (3) choices provided in the above scenario, did not submit or incompletely analyzed the key accounting requirements for each of the two (2) choices that you selected. Did not submit or incompletely suggested one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices. | Insufficiently selected two (2) out of the three (3) choices provided in the above scenario, insufficiently analyzed the key accounting requirements for each of the two (2) choices that you selected. Insufficiently suggested one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices. | Partially selected two (2) out of the three (3) choices provided in the above scenario, partially analyzed the key accounting requirements for each of the two (2) choices that you selected. Partially suggested one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices. | Satisfactorily selected two (2) out of the three (3) choices provided in the above scenario, satisfactorily analyzed the key accounting requirements for each of the two (2) choices that you selected. Satisfactorily suggested one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices. | Thoroughly selected two (2) out of the three (3) choices provided in the above scenario, thoroughly analyzed the key accounting requirements for each of the two (2) choices that you selected. Thoroughly suggested one (1) strategy in which you would prepare the financial statements for your company after the acquisition under each of the two (2) choices. |
| 4. Select the choice that you consider to be the most advantageous to your company. Explain to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company.  Weight: 15% | Did not submit or incompletely selected the choice that you consider to be the most advantageous to your company. Did not submit or incompletely explained to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company. | Insufficiently selected the choice that you consider to be the most advantageous to your company. Insufficiently explained to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company. | Partially selected the choice that you consider to be the most advantageous to your company. Partially explained to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company. | Satisfactorily selected the choice that you consider to be the most advantageous to your company. Satisfactorily explained to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company. | Thoroughly selected the choice that you consider to be the most advantageous to your company. Thoroughly explained to the Board of Directors at least three (3) reasons why your selected choice is the most advantageous to the company. |
| 5. Assume two (2) years after the acquisition, your Board of Directors wants to offer the shares back to the public in hopes of making a large profit. Assume that in each of the two (2) years your company and the target company have had exactly the same reported net income as they did in the year of acquisition. Determine the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Provide support for your rationale.  Weight: 15% | Did not submit or incompletely determined the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Did not submit or incompletely provided support for your rationale. | Insufficiently determined the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Insufficiently provided support for your rationale. | Partially determined the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Partially provided support for your rationale. | Satisfactorily determined the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Satisfactorily provided support for your rationale. | Thoroughly determined the type of value, (e.g., cost of fair value) that you would use to report the subsidiary’s net asset in the subsidiary’s financial statements, which the company will distribute to the public with the public offering. Thoroughly provided support for your rationale. |
| 6. 3 references  Weight: 5% | No references provided | Does not meet the required number of references; all references poor quality choices. | Does not meet the required number of references; some references poor quality choices. | Meets number of required references; all references high quality choices. | Exceeds number of required references; all references high quality choices. |
| 7. Writing Mechanics, Grammar, and Formatting  Weight: 5% | Serious and persistent errors in grammar, spelling, punctuation, or formatting. | Numerous errors in grammar, spelling, and punctuation. | Partially free of errors in grammar, spelling, punctuation, or formatting. | Mostly free of errors in grammar, spelling, punctuation, or formatting. | Error free or almost error free grammar, spelling, punctuation, or formatting. |
| 8. Appropriate use of APA in-text citations and  reference section (if applicable, might not apply to some 100 level courses such as ACC100)  Weight: 5% | Lack of in-text citations and / or lack of reference section. | In-text citations and references are given, but not in APA format. | In-text citations and references are provided, but they are only partially formatted correctly in APA style. | Most in-text citations and references are provided, and they are generally formatted correctly in APA style. | In-text citations and references are error free or almost error free and consistently formatted correctly in APA style. |
| 9. Information Literacy/Integration of Sources  Weight: 5% | Serious errors in the integration of sources, such as intentional or accidental plagiarism, or failure to use in-text citations. | Sources are rarely integrated using effective techniques of quoting, paraphrasing, and summarizing. | Sources are partially integrated using effective techniques of quoting, paraphrasing, and summarizing. | Sources are mostly integrated using effective techniques of quoting, paraphrasing, and summarizing. | Sources are consistently integrated using effective techniques of quoting, paraphrasing, and summarizing. |
| 10. Clarity and Coherence of Writing  Weight: 5% | Information is confusing to the reader and fails to include reasons and evidence that logically support ideas. | Information is somewhat confusing with not enough reasons and evidence that logically support ideas. | Information is partially clear with minimal reasons and evidence that logically support ideas. | Information is mostly clear and generally supported with reasons and evidence that logically support ideas. | Information is provided in a clear, coherent, and consistent manner with reasons and evidence that logically support ideas. |