

# [Example of case study on accounting](https://assignbuster.com/example-of-case-study-on-accounting/)

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## Question 1:

According to FASB ASC Topic 810-10-25-10, protective non-controlling rights are rights that have been formulated to give the non-controlling shareholder power to obstruct corporate dealings that would be classified as protective rights by the investor holding a majority of shares in an organization. This help to ensure that the interests of the non-controlling shareholder are protected in order to ensure that decisions that may affect his or her wellbeing are implemented-

## Question 2:

Substantive participating non-controlling rights are rights that allow the non-controlling shareholder to take part in some corporate actions that overcomes the presumption that states that the investor possessing a majority of voting interest has power to consolidate its investee. These rights are granted by law or by contract depending on the organization.

## Question 3:

The following non-controlling rights overcome the presumption that all majority-owned investees should be consolidated:
a. Adjustments to documents of assimilation of the party getting the investment
b. Pricing on dealings between the possessor of a popular polling interest and linked self-dealing dealings and the investee
c. Investee liquidation or a verdict as a foundation for the investee to enter into any form of receivership
e. The repurchasing of equity interestsQuestion 4:
According to the FASB ASC, the following are the issues identified in determining whether Zee should consolidate Bee or report its investment in Bee under the equity method:
a. The disparity between the ownership interest of majority and non-controlling shareholders in order to ensure that both parties are taken into account
b. The corporate governance arrangements that may exist in the organization
c. Relationships between the majority and non-controlling shareholders that are of a related-party nature
d. The significance of items in carrying out the investee's business activities

## Works Cited:

Kimmel, Paul D, Jerry J. Weygandt, and Donald E. Kieso. Accounting: Tools for Business Decision Making. Hoboken, N. J: Wiley, 2011. Print.
Sangiuolo, Rosemarie, and Leslie F. Seidman. Financial Instruments: A Comprehensive Guide to Accounting and Reporting. Chicago, IL: CCH, 2008. Print.