



School of Accounting and Commercial Law

ACCY 309 INTERNATIONAL ACCOUNTING

Trimester Two 2008

COURSE OUTLINE

Names and Contact Details

Dr Bhagwan Khanna (Course Co-ordinator)

Room no. RH 602

Tel: 463 5843

Bhagwan.Khanna@vuw.ac.nz

Pala Molisa (Lecturer)

Room no. RH 616

Tel: 463 6154

Pala.Molisa@vuw.ac.nz

Hayley Cross (Administrator)

(until 15th August, 2008)

Room no. RH 708

Tel: 463 5383

Hayley.Cross@vuw.ac.nz

Both lecturers will maintain their office hours “**by appointment only**” for this course.

Trimester Dates

The second trimester in 2008 runs from Monday 7 July to Saturday 8 November 2008.

Class Times and Room Numbers

Lectures will be held on:

Mondays: 17.40 to 19.30 in GB LT3 and

Tuesdays: 16.40 - 18.30pm in GB LT3

There are no tutorials for this course.

Course Objectives

With the growing globalisation of trade and commerce, many accounting issues, which up until recently were being considered to be domestic, have assumed international dimensions. Both domestic and multinational corporations have increasingly been confronting and tackling these issues in varying degrees. The objective of this course is to examine how these changes are affecting the way accounting is practiced internationally and how we could begin to make sense of the ethical implications that such changes entail. In short, we intend to prepare our students to be able to contribute professionally in a global economy.

We hope that when you exit the course, you will have acquired a familiarity with the:

- ✓ National accounting concepts and procedures.
- ✓ Presentation and analysis of financial statements.
- ✓ Major differences between countries in their approaches to financial reporting.
- ✓ Harmonisation and standardisation.
- ✓ Functional currencies.
- ✓ An understanding of the development of international financial accounting standards and the role of the International Accounting Standards Board.
- ✓ Accepted presentation of consolidated financial statements of multi-national enterprises (optional).
- ✓ The ability to analyse and compare U.S. and foreign financial statements (optional).
- ✓ Social, environmental and ethical issues that are involved in the internationalisation of business and the role of accounting within that.
- ✓ Implications of professionalism and the “public interest” in the international business environment.

Course Content

This course builds on knowledge gathered in other accounting courses and will cover topics such as the need for and importance of studying international accounting; the role of cultural and societal values in understanding differences in accounting and reporting practices in the USA, UK, Australia, France, and Japan; international harmonisation process and the role of the International Accounting Standards Committee (IASC).

The course will also examine the nature and growth of multinational corporations and financial reporting issues such as segment reporting, consolidation and financial statement analysis, foreign exchange and accounting for foreign currency transactions. In addition, international transfer pricing and taxation issues will be discussed. This course of International Accounting is geared to examine the international dimension of accounting, accounting history, financial reporting and analysis. It aims to provide students with an in-depth look at the multinational enterprise and the preparation and presentation of financial statements in different countries.

We intend to cover - the reasons for the study of international accounting, concepts involved, influence of stages of economic growth on accounting development etc, the transfer pricing, foreign currency translation, financial disclosure, auditing, international corporate taxation, international accounting harmonization, a comparison of global accounting methods and financial reporting, social and environmental issues, and ethics and the “public interest”.

Some topics may be covered lightly, with a view to enable students to undertake in-depth study for their term assignment(s).

Readings

The recommended text book is: Frederick D. S. Choi & Gary K. Meek (2008) **International Accounting** (6th ed.) ISBN: 0-13-148097-9.

In the second half of the course, assigned readings will also be given out. You will be expected to have read the readings prior to class.

In addition, you are strongly encouraged to refer to any book on International Accounting. A few are mentioned as follows:

- Lee H. Radebaugh and Sidney J. Gray, *International Accounting and Multinational Enterprises* (2005 edition).
- Christopher Nobes and Robert Parker, *Comparative International Accounting*, (2006 9th edition).

Materials and Equipment

Silent, non-programmable electronic calculators may be used in the end-of-trimester exam.

Assessment Requirements

Lectures will be the primary method of teaching and students are required to actively participate in the class discussions. Students will be required to complete either the Assignments **or** a Research Essay dealing with current issue(s) of international accounting as outlined below. Please be aware that your topic needs to be approved by at least one lecturer. The submission date for the research essay is Friday, 10th October, 2008. The mid-trimester test will take place on the last session before the break in August at the normal lecture time. An internally assessed examination will take place on Friday 10th October 2008 during the normal lecture time.

Assignments /or Research Essay	25%
Mid-Trimester Test	25%
Final internal examination	50%

Every piece of work submitted for assessment is to be substantially your own, although you are encouraged to discuss your ideas and approaches as they develop with other students. Submitting another's work as your own would be unethical, whether you are detected or not, and is not consistent with the behaviour expected of prospective executives. There are substantial penalties (detailed in the University Calendar) for academic misconduct.

Assignments

If you choose to do the assignments, students must complete to a satisfactory standard **two** assignments. Students must submit at least one assignment set by Mr Pala Molisa and one by Dr Bhagwan Khanna - two assignments in total.

The due dates for the six assignments are:

<u>Number</u>	<u>Due date</u>
Assignment 1	Last class, before the mid-term break
Assignment 2	Last class in the last week

or

Research Essay

Friday, 10 October 2008

Penalties

Late submission will incur a penalty of 10% per day of the allocated marks for the assignment or research essay in question.

Mandatory Course Requirements

To pass the course, you will be required to have attained an overall C grade or better.

Communication of Additional Information

This Course Outline is available, along with other information and materials relating to the course, on *Blackboard*. You are expected to have access to *Blackboard* to participate in this course. All announcements and notices are posted in the *Announcements* section of *Blackboard*. If you have problems accessing *Blackboard*, you should contact Student Computing Services or the Course Administrator. Where applicable, copies of slides presented in lectures will generally be made available on *Blackboard*. Additional information is also conveyed to you in the lectures.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at www.vuw.ac.nz/policy/studentconduct. The Policy on Staff Conduct can be found on the VUW website at www.vuw.ac.nz/policy/staffconduct

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in this process. If, after trying the above

channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website at www.vuw.ac.nz/policy/academicgrievances

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means no cheating. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other students or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- cancellation of your mark for an assessment or a fail grade for the course
- suspension from the course or the University.

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic

progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and Faculty delegates. The Education Office (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafai.Seiuli@vuw.ac.nz

Lecture Schedule

Teaching & (Tentative) Topics:

Dr Bhagwan Khanna will lecture during the first half of the course

- * **Development and spread of ideas of international accounting. Definition and theories of international accounting.**
 - Chapters 1 and 2; Choi, and Meek.
 - M. A Qureshi, "Pragmatic and Academic Bases of International Accounting," *Management International Review*, February, 1979, pp. 61-67.

- * **Major areas of differences in international financial reporting.**
 - Chapter 3 ; Choi, and Meek.

- * **International classification and regulation of financial reporting in the UK, and Europe.**
 - Chapters 3 and 4; Choi, and Meek.
 - Bhagwan Khanna and Lorenzo Pozza, " United Kingdom," Chapter 1, in *The Process of Formulation and Issuance of Accounting Standards; France, Germany, Italy, United Kingdom* (in English) ed. A. Provasoli and A. Vigano, Italy: Giuridiche Economiche Aziendali Dell'Universita Bocconi E Giuffre Editori S.p.a. (EGEA), 1996, pp. 1-51.

- * **Financial reporting in USA, Australia, Japan and Developing countries.**
 - Chapters 4 and 5; Choi, and Meek.

- * **Setting accounting standards and harmonisation of financial reporting. In-class debate amongst students on harmonisation. A New Challenging Agenda.**
 -
 - A. R. Rahman, M. H. B. Perera, and G. Tower, "Accounting Harmonisation Between Australia and New Zealand: Toward a Regulatory Union," *International Journal of Accounting: Education and Research*, vol. 29, pp. 326-33.
 - Richard K. Goeltz, "International Accounting Harmonisation: The Impossible (and Unnecessary?) Dream," *Accounting Horizons*, March 1991, pp. 85-88.
 - Sidney J. Gray and Clare B. Roberts, "East-West Accounting Issues: A New Agenda," *Accounting Horizons*, March 1991, pp. 42-50.

* **International Auditing: context, problems, challenges and some likely paradigms.**

- Chapter 8, Choi and Meek
- A. Schilder, "Research Opportunities in Auditing in the European Union," *Accounting Horizons*, December, 1996, pp. 98-108.
- "SEC looks to the Future," *The Accountant*, February, 1998, p. 11.
- Karel van Hulle, "Ironing out difference in European Auditing Standards," *Accountancy International*, July 1998, p. 57.
- Wim de Bruijn, "GATS - What Next ?" *Accountancy International*, December, 1998, p. 68.

* **Foreign currency translation**

- Chapter 6; Choi, and Meek.

* **International financial analysis**

- Chapter 9; Choi, and Meek.
- G.K. Meek, C.B. Roberts and S.J. Gray, "Factors Influencing Voluntary Annual Report Disclosures by U.S., U.K., and Continental European Multinational Corporations," *Journal of International Business Studies*, 3rd quarter, 1995, pp. 555-572.

Pala Molisa will lecture during the second half of the course

* **Emerging issues in international accounting**

- Chapter 11 Choi and Meek

* **Nature and growth of multinational corporations.**

- Chapter 4 Choi and Meek

* **Planning and Control in MNC context.**

- Chapter 10; Choi, and Meek

* **International product costing and transfer pricing.**

- Chapter 12; Choi, and Meek

* **Last Session – (week of ending 10th October, 2008)**