

SCHOOL OF ACCOUNTING & COMMERCIAL LAW

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ACCY 309 INTERNATIONAL ACCOUNTING

Trimester Two 2009

COURSE OUTLINE

Names and Contact Details

Lecturers:

Dr Bhagwan Khanna (course co-ordinator)

Room no. RH 602

Tel: 463 5843

Bhagwan.Khanna@vuw.ac.nz

Pala Molisa

Room no. RH 616

Tel: 463 6154

Pala.Molisa@vuw.ac.nz

Administrator:

Marina Dobrovolskaya

Room no. RH 708

Tel: 463 5775

Marina.Dobrovolskaya@vuw.ac.nz

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

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

Examination Period: Tuesday, 27 October to Saturday 14 November 2009 (inclusive)

Withdrawal dates: Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers

Lectures will be held on:

Mondays: 09.30 to 11.20 in RH LT3 and

Thursdays: 09.30 - 11.20pm in RH LT3

There are no tutorials for this course.

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, the concepts involved, influence of stages of economic growth on accounting development etc, 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 enabling students to undertake in-depth study for their term assignment(s).

Course Learning Objectives

By the end of this course, students should be able to:

1. state national accounting concepts and procedures;
2. present and analyse financial statements;
3. explain major differences between countries in their approaches to financial reporting;
4. understand harmonisation and standardisation;
5. understand functional currencies;
6. explain the development of international financial accounting standards and the role of the International Accounting Standards Board;
7. analyse the social, environmental and ethical issues that are involved in the internationalisation of business and the role of accounting within that;
8. analyse the implications of professionalism and the “public interest” in the international business environment.

Course Delivery

There are two two-hour lectures for this course on Mondays and Thursdays. There are no tutorials. Class hand-outs will be given out during class times and put on Blackboard at the lecturer’s discretion.

Expected Workload

Students are expected to devote at least 4 hours of preparation time per lecture. Students are also expected to have read the assigned readings and to have done the assigned homework

before each class. The minimum total hours that students are expected to reasonably devote to the course is 12 hours a week.

Readings

The recommended text book is: Shahrokh M. Saudagaran (2009) **International Accounting: A User Perspective** (3rd ed.) ISBN: 978-0-8080-2058-5.

In the first half of the course assigned readings will also be given out. You will be expected to have read the readings prior to class. In the second half of the course we will be working more closely from the recommended textbook. Supplementary readings will also be given out if needed.

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*, (2004 edition).

Materials and Equipment

Silent, non-programmable electronic calculators may be used in the end-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 as outlined below, (topic to be approved by at least one lecturer) dealing with current issue(s) of international accounting. Submission date for the research essay is TBA. The mid trimester test will take place on Thursday 20th August 2009 at the normal lecture time. An end-of-term test will take place on Thursday 15th October 2009 during the normal lecture time.

Assignments or Research Essay	25%
Mid Trimester Test	25%
Final End-of-term Test	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 students. 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 (2) of the four (4) assignments. Students must submit at least two assignments set by Mr. Pala Molisa or by Dr Bhagwan Khanna, that is, in all two assignments.

The due dates for the two assignments are:

<u>Number</u>	<u>Due date</u>
Assignment 1, 2	Thursday 20 August (last class, before the mid-term break)
Assignment 3, 4	Thursday 15 October (last class in the last week)
or	
Research Essay	Thursday, 15 October

The assignments and the research project are designed to give scope to the students to explore systematically and in more depth areas of international accounting practice and their role in globalization processes. Issues that students would be able to interrogate include, but are not limited to, the state national accounting concepts and procedures; the cause of differences between countries in their approaches to financial reporting; the politics and social effects of harmonization; the history and evolution of international accounting institutions such as the IASB; emission trading schemes, carbon accounting and climate change mitigation; and the social and ethical issues raised by accounting's implication in global economic and financial flows.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Penalties

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

Mandatory Course Requirements

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

Communication of Additional Information

Information such as course notices will be posted on Blackboard.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

Lecture Schedule (Teaching & (Tentative) Topics):

Pala Molisa will lecture during the first half of the course. Dr Bhagwan Khanna will lecture during the second half of the course.

Date & Topic	Prescribed readings
<p>Week 1 – week beginning 13/07/09</p> <p>Understanding Accounting</p>	<ul style="list-style-type: none"> • Jeff Everett (2003) Globalization and Its New Spaces for (Alternative) Accounting Research, <i>Accounting Forum</i>, 27(4), 1061-1084. • Wai Fong Chua (1986), Radical Developments in Accounting Thought, <i>Accounting Review</i>, 61(4), 601-632. Not required reading. • Anthony Puxty (1986) <i>The social and organizational context of management accounting</i> (Academic Press, California). Not required reading.
<p>Week 2 – week beginning 20/07/09</p> <p>Understanding Accounting (cont'd)</p>	
<p>Week 3 – week beginning 27/07/09</p> <p>International accounting & Harmonization</p>	<ul style="list-style-type: none"> • Glen Lehman (2004) A critical perspective on the harmonisation of accounting in a globalising world, <i>Critical Perspectives on Accounting</i>, 16(7), 975-992. • Glen Lehman (2009) Globalisation and the internationalisation of accounting: New technologies, instrumentalism and harmonisation, <i>Critical Perspectives on Accounting</i>, 20(4), 445-447.
<p>Week 4 – week beginning 03/08/09</p> <p>International Accounting and Corruption</p>	<ul style="list-style-type: none"> • Jeff Everett, Dean Neu, and Abu Shiraz Rahaman (2007), Accounting and the global fight against corruption, <i>Accounting, Organisations and Society</i>, 32(6), 514-542.
<p>Week 5 – week beginning 10/08/09</p> <p>Topic: TBA</p>	
<p>Week 6 – week beginning 17/08/09</p> <p>20th August – MID TERM TEST (normal class time)</p>	
MID-TERM BREAK 24/08/09-06/09/09	
<p>Week 7 – week beginning 07/09/09</p>	<ul style="list-style-type: none"> • Chapters 1 and 2; Choi, and Meek.

<p>Development and spread of ideas of international accounting. Definition and theories of international accounting.</p>	<ul style="list-style-type: none"> • M. A Qureshi, “Pragmatic and Academic Bases of International Accounting,” <i>Management International Review</i>, February, 1979, pp. 61-67.
<p>Week 8 – week beginning 14/09/09</p> <p>Major areas of differences in international financial reporting</p>	<ul style="list-style-type: none"> • Chapter 3 ; Choi, and Meek.
<p>Week 9 – week beginning 21/09/09</p> <p>International classification and regulation of financial reporting in the UK, USA</p>	<ul style="list-style-type: none"> • Chapters 4 and 5; Choi, and Meek. • Bhagwan Khanna and Lorenzo Pozza,“ United Kingdom,” Chapter 1, in <i>The Process of Formulation and Issuance of Accounting Standards; France, Germany, Italy, United Kingdom</i> (in English) ed. A. Provasoli and A. Viganò, Italy: Giuridiche Economiche Aziendali Dell'Universita Bocconi E Giuffre Editori S.p.a. (EGEA), 1996, pp. 1-51.
<p>Week 10 – week beginning 28/09/09</p> <p>Financial reporting in Australia, France, Japan and Developing countries</p>	<ul style="list-style-type: none"> • Chapters 3 and 4; Choi, and Meek.
<p>Week 11 – week beginning 05/10/09</p> <p>Setting accounting standards and harmonisation of financial reporting. In-class debate amongst students on harmonisation. A New Challenging Agenda.</p>	<ul style="list-style-type: none"> • Chapter 8; Choi, and Meek. • A. R. Rahman, M. H. B. Perera, and G. Tower, “Accounting Harmonisation Between Australia and New Zealand: Toward a Regulatory Union,” <i>International Journal of Accounting: Education and Research</i>,” vol. 29, pp. 326-33. • Richard K. Goeltz, “International Accounting Harmonisation: The Impossible (and Unnecessary?) Dream,” <i>Accounting Horizons</i>, March 1991, pp. 85-88. • Sidney J. Gray and Clare B. Roberts, “East-West Accounting Issues: A New Agenda,” <i>Accounting Horizons</i>, March 1991, pp. 42-50.
<p>Week 12 – week beginning 12/10/09</p> <p>International Auditing:</p>	<ul style="list-style-type: none"> • A. Schilder, “Research Opportunities in Auditing in the European Union,” <i>Accounting Horizons</i>, December, 1996, pp. 98-108.

<p>context, problems, challenges and some likely paradigms</p>	<ul style="list-style-type: none"> • “SEC looks to the Future,” <i>The Accountant</i>, February, 1998, p. 11. • Karel van Hulle, “Ironing out difference in European Auditing Standards,” <i>Accountancy International</i>, July 1998, p. 57. • Wim de Bruijn, “GATS - What Next ?” <i>Accountancy International</i>, December, 1998, p. 68.
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Other Possible Topics (to be covered if students are interested in exploring them):

* **International reporting**

- Chapter 5; Choi, and Meek.

* **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.