

School of Accounting and Commercial Law

## ACCY 309 INTERNATIONAL ACCOUNTING TOPICS

Trimester Two 2010

### COURSE OUTLINE

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#### Names and Contact Details

Course Coordinator & Lecturer:	Dr Bhagwan Khanna <a href="mailto:Bhagwan.Khanna@vuw.ac.nz">Bhagwan.Khanna@vuw.ac.nz</a>	RH 602	463 5843
Lecturer	Dr Wares Karim <a href="mailto:Wares.Karim@vuw.ac.nz">Wares.Karim@vuw.ac.nz</a>	RH 713	463 5847
Lecturer	Mr Pala Molisa <a href="mailto:Pala.Molisa@vuw.ac.nz">Pala.Molisa@vuw.ac.nz</a>	RH 616	463 6154

Note: Lecturers will maintain their office hours “**by appointment only**” for this course.

Administrator:	Ms Pinky Shah <a href="mailto:Pinky.Shah@vuw.ac.nz">Pinky.Shah@vuw.ac.nz</a>	RH 708	463 5775
	Office hours:	Monday-Friday 8.30am-5pm	
	Office is closed:	10.30-10.45am and 3.30-3.45pm	

#### Trimester Dates

**Teaching Period:** Monday 12<sup>th</sup> July – Friday 15<sup>th</sup> October 2010

#### Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before **23 July 2010**

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e. **Friday 24 September**. After that date, withdrawal requires the permission of the Associate Dean (Students) as set out in section 8 of the Personal Courses of Study Statute

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~000000001743.pdf>

To apply for permission, fill in the Late Withdrawal form available from either of our Student Customer Service Desks.

#### Class Times and Room Numbers

Lectures will be held on:

**Tuesdays:** 10.30 to 12.20pm in GB LT3 and

**Thursdays:** 10.30 to 12.20pm in GB 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 assignment(s).

### **Tentative Lecture Schedule (Teaching Topics):**

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

<b>Date &amp; Topic</b>	<b>Prescribed readings</b>
<b>Week 1 – week beginning 12/07/10</b>  <b>Development and spread of ideas of international accounting. Definition and theories of international accounting.</b>	<ul style="list-style-type: none"><li>• Chapters 1 and 2; <b>Doupnik &amp; Perera.</b></li><li>• M. A Qureshi, “Pragmatic and Academic Bases of International Accounting,” <i>Management International Review</i>, February, 1979, pp. 61-67.</li></ul>
<b>Week 2 – week beginning 19/07/10</b>  <b>Major areas of differences in international financial reporting</b>	<ul style="list-style-type: none"><li>• Chapter 2; <b>Doupnik &amp; Perera.</b></li></ul>
<b>Week 3 – week beginning 26/07/10</b>  <b>International classification and regulation of financial reporting in the UK/China</b>	<ul style="list-style-type: none"><li>• Chapters 5; <b>Doupnik &amp; Perera.</b></li><li>• 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. Vigano, Italy: Giuridiche Economiche Aziendali Dell’Universita Bocconi E Giuffre Editori S.p.a. (EGEA), 1996, pp. 1-51.</li></ul>

<p><b>Week 4 – week beginning 02/08/10</b></p>	<ul style="list-style-type: none"> <li>• The library research work.</li> </ul>
<p><b>Week 5 – week beginning 09/08/10</b></p> <p><b>Financial reporting in Australia, Germany/Mexico, Japan and Developing countries</b></p>	<ul style="list-style-type: none"> <li>• Chapters 5; <b>Doupnik &amp; Perera.</b></li> </ul>
<p><b>Week 6 – week beginning 16/08/10</b></p> <p><b>Setting accounting standards and harmonisation of financial reporting. In-class discussion amongst students on harmonisation.</b></p> <p><b>A New Challenging Agenda. The topic will be visited again in the second part of the trimester.</b></p>	<ul style="list-style-type: none"> <li>• Chapter 3 and 4; <b>Doupnik &amp; Perera.</b></li> <li>• 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.</li> <li>• Richard K. Goeltz, “International Accounting Harmonisation: The Impossible (and Unnecessary?) Dream,” <i>Accounting Horizons</i>, March 1991, pp. 85-88.</li> <li>• Sidney J. Gray and Clare B. Roberts, “East-West Accounting Issues: A New Agenda,” <i>Accounting Horizons</i>, March 1991, pp. 42-50.</li> </ul>
<p><b>MID-TRIMESTER BREAK 23/08/10-03/09/10</b></p>	
<p><b>Week 7 – week beginning 06/09/10</b></p> <p><b>International Auditing: context, problems, challenges and some likely paradigms</b></p> <p><b>Understanding Accounting</b></p>	<ul style="list-style-type: none"> <li>• Schilder, “Research Opportunities in Auditing in the European Union,” <i>Accounting Horizons</i>, December, 1996, pp. 98-108.</li> <li>• “SEC looks to the Future,” <i>The Accountant</i>, February, 1998, p. 11.</li> <li>• Karel van Hulle, “Ironing out difference in European Auditing Standards,” <i>Accountancy International</i>, July 1998, p. 57.</li> <li>• Wim de Bruijn, “GATS – What Next?” <i>Accountancy International</i>, December, 1998, p. 68.</li> <li>• Jeff Everett (2003) Globalization and Its New Spaces for (Alternative) Accounting Research, <i>Accounting Forum</i>, 27(4), 1061-1084.</li> <li>• Wai Fong Chua (1986), Radical Developments in Accounting Thought, <i>Accounting Review</i>, 61(4), 601-632. <b>Recommended, not a required reading.</b></li> <li>• Anthony Puxty (1986) <i>The social and organizational context of management accounting</i> (Academic Press, California). <b>Recommended, not a required reading.</b></li> </ul>

<b>Week 8 – week beginning</b> <b>13/09/10</b>  <b>Understanding Accounting</b> <b>(cont'd)</b>	<ul style="list-style-type: none"> <li>• Discussion to continue</li> </ul>
<b>Week 9 – week beginning</b> <b>20/09/10</b>  <b>International accounting &amp;</b> <b>Harmonization</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Glen Lehman (2009) Globalisation and the internationalisation of accounting: New technologies, instrumentalism and harmonisation, <i>Critical Perspectives on Accounting</i>, 20(4), 445-447.</li> </ul>
<b>Week 10 – week beginning</b> <b>27/09/10</b>  <b>International Accounting and</b> <b>Corruption</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Week 11 – week beginning</b> <b>04/10/10</b>  <b>Topic: TBA</b>	
<b>Week 12 – week beginning</b> <b>11/10/10</b>  <b>In-class End of Trimester Test</b>	

### 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 Tuesdays 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 are on an average 12 hours per week.

## **Group Work**

No group assignment except discussion in the class where everyone is expected/required to participate individually and/ or in groups.

## **Readings**

The recommended text book is:

**Timothy Douplik & Hector Perera, *International Accounting*, (McGraw-Hill Irwin, 2009), 2/ed.**

In the first half of the course we will be working more closely from the recommended textbook. 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. Supplementary readings will also be given out when ever needed.

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

- Shahrokh M. Saudagaran, *International Accounting: A User Perspective* (3/ed. 2009)
- Lee H. Radebaugh and Sidney J. Gray and Ervin L. Black, *International Accounting and Multinational Enterprises* (6/ed., 2006).
- Christopher Nobes and Robert Parker, *Comparative International Accounting*, (10/ed, 2008).

## **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 a Research Essay as outlined below, (topic to be approved by at least one lecturer) dealing with current issue(s) of international accounting. Mid trimester test and end of trimester test will be during the normal lecture hours. Other details about assessments are as follows:

<b>Mid Trimester Test (19<sup>th</sup> August, 2010)</b>	<b>25%</b>
<b>Research Essay (12<sup>th</sup> October, 2010)</b>	<b>25%</b>
<b>End of Trimester Test (14<sup>th</sup> October, 2010)</b>	<b>50%</b>

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.

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.

Students must complete the research essay to a satisfactory standard. Students must submit the research essay approved by Dr Wares Karim, Pala Molisa or by Dr Bhagwan Khanna.

The due date for the research essay is:

**Research Essay                      Thursday, 12<sup>th</sup> October, 2010.**

The research essay is 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**

You must hand in the Research Essay.

### **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

### **Communication of Additional Information**

Information such as course notices will be posted on Blackboard.

**Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

**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>

**AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

**Faculty of Commerce and Administration Offices**

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

**Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)