

School of Accounting and Commercial Law

ACCY309

INTERNATIONAL ACCOUNTING TOPICS

Trimester Two 2012

COURSE OUTLINE

| Names and Contact Details | Office | Telephone |
|--|---------------|------------------|
| <i>Course Coordinator</i> Dr Wares Karim | RH 702 | 463 6314 |
| <i>Lecturers</i> | | |
| Dr Wares Karim Wares.Karim@vuw.ac.nz Office Hours: Wednesdays: 10:30 pm to 12:30 pm Other times: By appointment | RH 702 | 463 6314 |
| Dr Bhagwan Khanna Bhagwan.Khanna@vuw.ac.nz Office Hours: TBA | RH 602 | 463 5843 |
| <i>Course Administrator</i> Ms Lee Vassiliadis lee.vassiliadis@vuw.ac.nz Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm) | RH 708 | 463 5383 |

Trimester Dates

Teaching Period: Monday 16th July – Friday 19th October 2012

Study Period: Monday 22nd October – Thursday 25th October 2012

Examination Period: Friday 26th October – Saturday 17th November 2012 (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before **Friday 27 July 2012**.
2. The standard last date for withdrawal from this course is Friday 28 September. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an 'Application for Associate Dean's Permission to Withdraw Late' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Lectures will be held on:

Tuesdays: 13.40 to 14.30 pm in GB LT3 and

Thursdays: 13.40 to 15.30 pm in GB LT3

There are no tutorials for this course.

Course Content

This course builds on knowledge acquired 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, the UK, Australia, France, China, India and Japan; international harmonisation process and the role of the International Accounting Standards Board (IASB).

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 dimensions 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, 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).

Course Learning Objectives

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

1. state (broad) national accounting concepts and procedures;
2. present and analyse financial statements as per nations’ contextual variables (broadly);
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; and
8. analyse the implications of professionalism and the “public interest” in the international business environment.

Course Delivery

There are two lectures for this course on Tuesdays and Thursdays. There are no tutorials. Some hand-outs will be given out during class times while other materials could be posted on Blackboard at the lecturer's discretion.

Tentative Lecture Schedule (Teaching Topics):

Dr Wares Karim will lecture during the first half of the course except for the July 26 lecture, which will be delivered by Dr Noor Houqe. Dr Bhagwan Khanna will lecture during the second half of the course.

| Date & Topic | Prescribed readings |
|---|--|
| Week 1 – week beginning 16th of July 2012 Introduction to international accounting Causes and examples of international differences | Chapters 1 and 2, Nobes and Parker |
| Week 2 – week beginning 23rd of July 2012 International classification of financial reporting | Chapter 3, Nobes and Parker |
| Week 3 – week beginning 30th of July 2012 International harmonization efforts The context of financial reporting by listed groups | <ul style="list-style-type: none"> • Chapters 4 and 5, Nobes and Parker • Ball, R (2006) International Financial Reporting Standards (IFRS): pros and cons for investors, <i>Accounting and Business Research</i>, International Accounting Policy Forum (Special Issue), pp. 5-27. |
| Week 4 – week beginning 6th of August 2012 The requirements of International Financial Reporting Standards (IFRS) | <ul style="list-style-type: none"> • Chapter 6, Nobes and Parker • Penman, S (2007) Financial Reporting Quality: Is Fair Value a Plus or a Minus?, <i>Accounting and Business Research</i>, Special Issue, International Accounting Policy Forum, 33-44. |
| Week 5 – week beginning 13th of August 2012 Different versions of IFRS in practice | <ul style="list-style-type: none"> • Chapter 7, Nobes and Parker |
| Week 6 – week beginning 20th of August 2012 Financial reporting in the United States | <ul style="list-style-type: none"> • Chapter 8, Nobes and Parker • Whittington, G (2005) The Adoption of International Accounting Standards in the European Union, <i>European Accounting Review</i>, 14 (1): 127-53. |
| MID-TRIMESTER BREAK 27th of August – 7th of September 2012 | |

| Date & Topic | Prescribed readings |
|--|---|
| Week 7 – week beginning 10th of September 2012 Key financial reporting topics | <ul style="list-style-type: none"> • Chapter 9, Nobes and Parker |
| Week 8 – week beginning 17th of September 2012 Political lobbying on accounting standards – US, UK and international experience | <ul style="list-style-type: none"> • Chapter 10, Nobes and Parker |
| Week 9 – week beginning 24th of September 2012 Financial reporting in China and Japan | <ul style="list-style-type: none"> • Chapter 11, Nobes and Parker |
| Week 10 – week beginning 1st of October 2012 The context of financial reporting by individual companies | <ul style="list-style-type: none"> • Chapter 12, Nobes and Parker |
| Week 11 – week beginning 8th of October 2012 Harmonization and transition in Europe | <ul style="list-style-type: none"> • Chapter 13, Nobes and Parker • 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. |
| Week 12 – week beginning 15th of October 2012 Enforcement of financial reporting standards In-class End of Trimester Test | <ul style="list-style-type: none"> • Chapter 19, Nobes and Parker |

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:

Christopher Nobes and Robert Parker, *Comparative International Accounting*, Pearson, 2012), 12th edition. ISBN 978-0-273-76379-6.

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

- Timothy Douppnik and Hector Perera, *International Accounting*, (McGraw-Hill Irwin, 2012), 3rd edition. ISBN 978-0-07-811095-5.
- Shahrokh M. Saudagaran, *International Accounting: A User Perspective*, 3rd edition, 2009, CCH, ISBN 9780808020585.
- Lee H. Radebaugh and Sidney J. Gray and Ervin L. Black, *International Accounting and Multinational Enterprises*, 6th edition, 2006.

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:

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|---|------------|
| Mid Trimester Test (Thursday 23 August, 2012) | 25% |
| Research Essay (Tuesday 16 October, 2012 at 2pm) | 25% |
| End of Trimester Test (18 October, 2012) | 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.

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 FCom 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 or the other lecturer in the course.

The due date for the **research essay** is: **Tuesday, 16th of October, 2012.**

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.

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 FCom programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be in class on Thursday 18th of October, 2012.

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.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made 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

Find key dates, explanations of grades and other useful information at
www.victoria.ac.nz/home/study

Find out about academic progress and restricted enrolment at
<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at www.victoria.ac.nz/home/about/policy,
except qualification statutes, which are available via the Calendar webpage at
<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the
Assistant Vice-Chancellor (Academic) at
www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx

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

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce Office

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

Te Putahi Atawhai

Maori and Pacific Mentoring Programme

<http://www.victoria.ac.nz/tpa/>