

International Financial Accounting

Summer 2014 – Syllabus

Professor Tim Shaftel

Introduction: This class will focus on issues related to international business with specific emphasis on international accounting practices. The course is designed for students who have taken an introductory course in both financial and managerial accounting course.

Accounting has to do with how corporations and others keep track of economic business activity. Since accounting practices differ around the world, otherwise intelligent decision making will be hampered by misinterpretation of accounting information. This course is designed to provide an appreciation of and sensitivity to the cultural, political, and economic differences which give international business its rich and exciting texture. The course explores managerial decision making, evaluation of foreign financial statements, and the impact of different political practices and culture on capital formation.

One of the main objectives of this course is increased student awareness of the wide spectrum of alternative approaches to accounting systems and why they exist. International Accounting Standards have become an important world-wide standard. They, however, represent only one of a myriad of systems used by corporations and individuals everywhere. In fact, individual country GAAP systems are alive and kicking all over the globe. Understanding that accounting systems have evolved from a sequence of past choices and how those choices were and are made will help students to evaluate a wide range of approaches and outcomes using their knowledge, cultural background and accounting intuition.

Class Times and Mandatory Attendance: Please note that class times for this class throughout the summer. Due to the programs mandatory attendance policy, a student who will miss class for any reason must obtain permission. Missed classes will be penalized by one-half letter grade.

Survival Italian: Each student will need to provide proof of attendance at one survival Italian Class. Please do not wait until the last minute as sometimes they are cancelled.

Text and other Course Materials: A course package of readings, handouts and notes will be provided.

Grades: Grades will be based on the students' performance on written assignments, in-class discussions, examinations and other class related activities. This course is graded on a +/- basis. The Tippie College of Business at the University of Iowa provides grading guidelines at the following site: <http://tippie.uiowa.edu/undergraduate/advising/grading-policies.cfm>. These are definitely only guidelines so if you have any concerns at all about these please speak to me directly.

Contact Information: Because of the nature of this summer program students will have daily contact with the instructor and should avail themselves of this opportunity to ask questions and seek guidance. Professor Shaftel's email address is tshaftel@ku.edu.

Approximate Point Allocation:

Survival Italian for Fun	10
Your strategic travel plan	10
Your travel budgets and analysis	60
In-class activities	70
Quizzes based mostly on in class activities	100
Group paper and presentation	100
Final	<u>100</u>
TOTAL	450

Activities: Understanding international accounting means having a global perspective. Whenever possible this course will use activities, speakers and field trips to further this goal. Classes will be modified to make room for these interesting and important additions to your education. An important goal of this class is to help you to learn how to do well in an international environment. I will take advantage of the many interesting things going on around us to further this goal.

Preparation and Assignments: The weekly schedules provide information about materials to be prepared prior to class and assignments that should be submitted to the instructor. For the most part these assignments will be designed to fit into your very busy schedule. Schedule changes may result from unique opportunities that are arranged during the session.

Pre-Program Assignment: Students will receive a pre-program reading assignment via email to complete prior to beginning the program in Italy. The assignment will take approximately three hours.

Other Administrative matters:

Students with Any Special Requirements. Please see the course instructor prior to the time that any special need should be considered. Policies related to requests for special needs as established by the University of Iowa will be followed.

Sexual Harassment Policy. The Tippie College of Business at the University of Iowa has policies designed to provide students an environment free of sexual harassment. You are encouraged to visit <http://www.sexualharrasment.uiowa.edu> if you have questions about this policy. If you have any concerns or questions what-so-ever please seek immediate assistance from any campus personnel but most especially the CIMBA Director, Al Ringleb, or Associate Director, Cristina Turchet. You also have access to a faculty members from the University of Iowa via this email address: Lon-Moeller@uiowa.edu.

Academic Misconduct. The Tippie College of Business at the University of Iowa follows an honor code regarding academic misconduct. That code can be found at www.biz.uiowa.edu/undergraduate/honorcode.cfm. Misconduct as it applies to this class includes copying or using others work or allowing others to copy or use your work except in clearly identified group projects. Penalties for academic misconduct include receiving no credit for specific assignments and additional points deducted from the course point total. Students enrolled in this class must abide by the following Honor Pledge which applies to all graded examinations, assignments and papers: "I have neither given nor received unauthorized assistance on examinations, assignments or papers in this course."

International Financial Accounting Tentative Schedule: Weeks 1 and 2

Week 1 - 8:00 to 9:30; PM block Tuesday; PM blocks are always 2 to 5 PM.

Date	Topic	Reading for Date Shown	Assignments Due
Mon May 19	CIMBA orientation		
TBA	Survival Italian		
Tues May 20	Preliminaries		
Tues May 20 PM	Budgets and decision making		
Wed May 21	Make a budget	International Perspective (to the bottom of page 8); Entrepreneurship in Italy	Your overall mission statement
Thu May 22	Background: IFRS and convergence	International Perspective (from the bottom of page 8 to the end); The Big Mac Index	Travel objective; criteria with weights; travel possibilities
Fri May 23	IFRS in the US: Are we doing this or aren't we?	Norwalk Agreement; IFRS Adoption Convergence or Endorsement	Strategic plan with PPA; week one budget

Week 2 - 9:35 to 11:05; PM block Tuesday.

Date	Topic	Reading for Date Shown	Assignments Due
Mon May 26	Functional currency; foreign currency transactions	Sauce for the Goose; Who we are and what we do (handout)	
Tues May 27	Consolidated financial statements	Determinants of functional currency; Who we are and what we do	Weekend one budget analysis
Tues May 27 PM	International understanding – field trip		
Wed May 28	Exchange rates and financial statement translations	SPEs a post-Enron perspective	
Thu May 29	IFRS and US GAAP translation methods	IFRS: Beyond Standards;	Financial report team and company name; week two budget

Unless otherwise noted readings are in the course packet. Readings should be done by the day indicated.

International Financial Accounting Tentative Schedule: Weeks 3 and 4

Week 3 - 8:00 to 9:30; PM blocks tentatively Tuesday and Wednesday

Date	Topic	Reading for Date Shown	Assignments Due
Mon June 2	Inflation and price level restatement		
Tues June 3	Speaker: Jim Klein, Partner PWC Poland		
Tues June 3 PM	International understanding – field trip		
Wed June 4	Inventory; oil and gas exploration; financial statement format	What's Better Rules or Feel?; Societe General	Weekend two budget and budget analysis
Wed June 4 PM	International understanding – field trip		
Thu June 5	Fair value; value added statements	Fair Value Accounting; LIFO vs. IRS	Week three budget

Week 4 - 11:10 to 12:40; PM block Monday

Date	Topic	Reading for Date Shown	Assignments Due
Mon June 9	What's money	Zimbabwe can't paper over inflation	
Mon June 9 PM	International understanding – field trip		
Tues June 10	Student project presentations		Presentation outline
Wed June 11	Taxes, shares, dividends and treasury shares	IFRS and Income Taxes	Budget analysis and statement of achievements
Thu June 12	Financial Statement Translations		
Fri June 13	Final (Exact time TBA)		Financial Statement Analysis Paper – can be emailed by 6 PM Thursday June 12

Unless otherwise noted readings are in the course packet. Readings should be done by the day indicated.