



## **INTERNATIONAL ACCOUNTING - ACCT 5335**

### **Syllabus Fall Semester 2015**

**Meeting Time: Tuesday 5:30 – 9:30 pm and  
Saturday 8:00 – noon (see schedule)**  
**Classroom: College of Business 302**  
**Instructor: Dr. Giorgio Gotti**  
**Office: College of Business #260C**

**Office Hours: Tuesday 3:30 – 5:00 pm  
and by appointment**  
**Phone: (915) 747-7762**  
**Email: ggotti@utep.edu**

#### **Course Materials**

The primary textbook for the course is:

***International Accounting, Douppnik and Perera, 3<sup>rd</sup> edition ISBN: 0078110955. McGraw-Hill***

Other relevant material related to international accounting will be made available through Blackboard.

#### **Course Description**

This course covers accounting principles as used internationally. We will discuss the environmental and cultural influences on accounting standards with an emphasis on reporting and disclosure. Many of the topics in an international accounting course have a domestic counterpart. However, new factors play a role in the international arena, such as the diversity of laws, practices, customs, cultures, and competitive circumstances; the risk that it is associated with fluctuating exchange rates, differential rate of inflation, and property rights; and the variation in taxes and tax rates. The course is designed to give you an understanding of international accounting issues from the prospective of companies with internationalized finance and/or operations. Throughout the course we will be discussing the International Financial Reporting Standards (IFRS).

#### **Course Objectives**

Since this is a course in international accounting, we will have to broaden our understanding of principally domestic corporations to include accounting principles from other nations. We will focus on four main areas:

1. The environmental, cultural and business issues that affect the development of accounting and auditing standards around the world.
2. Accounting issues including currency translations and external reporting for multinational enterprises.
3. Financial statement analysis for foreign and multinational corporations.
4. Adoption and implementation of the IFRS.

## **Course Format**

Class will be a mixture of lectures, group discussions and review of homework assignments and active student participation is sought. An effort is made to engage all students, initially via questions, until participation becomes a routine matter. Exercises of increasing difficulty are done to understand the applications of concepts. The course emphasizes understanding the underlying concepts as opposed to memorization of endless rules.

All students are expected to attend class regularly. You will be responsible for any class notes, handouts and assignments distributed and/or covered in your absence. Completion of assignments and class participation will count toward your final grade.

I will expect that as we begin each new chapter you will have read the chapter before class and have written up assigned questions and completed cases and/or exercises. Class participation is vital to the success of this course. Class discussion is organized around the discussion questions at the end of each chapter and written assignments. I will call on you in class, so be sure you are adequately prepared. The quality of comments is more important than the quantity.

## **Course Expectations**

Each student is responsible for all assignments on the syllabus, made in class, and on Blackboard. Homework is assigned for every class and you can expect to spend 3 to 4 hours per class of preparation outside of class time. You are expected to have read each assigned chapters before the class period for discussion and participation purposes.

## **Course Grading**

Your final course grade will be determined as follows:

Written Assignments & Participation	20 points
Midterm Exam	20 points
Final Exam (comprehensive)	40 points
Research Paper Project	<u>40 points</u>
Total	120 points

## **Written Individual Assignments & Participation (20 points)**

Class participation will reflect quality participation in discussions of course topics and assignments, your overall preparation for class, and your ability to explain and demonstrate a solution, lead a group discussion, and answer questions regarding the case.

You are to write up your analyses/answers to the assigned questions (in *Italic* under the column assignments in the syllabus schedule) and submit them on Blackboard before the beginning of each class period. The purpose is to make you the class “expert” on that particular issue. Your write-ups should be typed and double-spaced, and they should be no more than 500 words. Assignments should be submitted on Blackboard.

Each team will have the responsibility to lead the discussion of homework analysis as scheduled.

Each assignment will be graded as follows:

Grade	Description	Points
Excellent	Everything correct including numbers	2
Acceptable	Some discussion points missed but at least half of the numbers and discussion points correct and/or bad grammar	1
Unacceptable	More than half the numbers or discussion points incorrect/missing or very bad grammar	0

### **Exams (1 midterm 20 points– 1 final 40 points)**

One exam and a comprehensive final exam will be taken in class. Exams are closed-book, closed-notes.

### **Research Paper Project (40 points)**

This is a team project involving 5/6 students. Each team will pick a country (other than the United States, Canada, and Israel – different rules are in place for these countries).

The paper involves a report including a critique of the informativeness of a set of corporate annual reports from companies within the country of choice. You should evaluate the quality of the information provided by the companies from the prospective of a potential investor. You should discuss the strengths and weaknesses of the annual report disclosures in terms of whether they provide relevant, reliable, useful information to international investors.

Some background of the companies, the reasons behind their strategy for raising international capital, and the GAAP of the home country should also be included in your paper. Moreover, you should present demographic information, factors affecting the development of accounting practices including cultural and professional factors discussed by Hofstede and Gray, and examples in your company's financial statements and related disclosures that illustrate the uniqueness of accounting practices for that country.

There is a 20 minute in-class presentation of each paper. Oral presentations are scheduled for Dec 1, 2015. PowerPoint will be available for the presentations. All written papers are due Dec 1, 2015 and will be submitted online through Blackboard. The term paper and presentation are worth 40 points.

Here are some rules, hints, suggestions for the term paper and presentation:

- (1) The paper should be typed and double-spaced. Follow the Accounting Review style format for citations and the reference list. The body of the paper should be 3,000 to 3,750 words (roughly 12 to 15 pages).
- (2) Your choice of country will be handled on a first-come, first-served basis, with a different country - as specified above - for each team.
- (3) Each teammate has primary responsibility for one annual report. Thus, for instance, a five-person team analyzes five annual reports.
- (4) The annual report should be the most recent one available.
- (5) Many annual reports are now available on the Internet.
- (6) Some companies now split the annual report into two or more separate reports: one containing financial statements, another containing a review, and sometimes a sustainability report. If your company does this, then your critique should encompass the entire set of reports.

- (7) The paper and the presentation must be a professional, integrated, coordinated team effort, not a collection of individual efforts.
- (8) All the members must speak in the in-class presentation.

<b>Letter Grade</b>	<b>%</b>
A	90% or more of the points available
B	80%-89.9%
C	70%-79.9%
D	60%-69.9%
F	fewer than 60% of the points available

## Policies and Notices to Students with Disabilities

If you feel you may have a disability that requires an accommodation as outlined by the Americans with Disabilities Act (ADA), contact the Disabled Student Services Office at 747-5148, go to Room 306E Union, or e-mail: [dss@utep.edu](mailto:dss@utep.edu).

Electronic Equipment (including but not limited to cell phones, PDAs, MP3 players, Smart phones):

- Turn off your cell phone ringer before class starts. If the vibrate mode is loud enough to irritate your fellow students, turn that off as well. If you are expecting an important phone call please make arrangements to receive it outside of class.
- Text-messaging or Web browsing during class is not acceptable behavior for accounting professionals, or those who aspire to become accounting professionals.

Laptop Computers:

- Laptop use is permitted during this class.
- Charge your laptop batteries fully before coming to class.
- Set your laptop volume control to mute or off before coming to class.
- Do not engage in unauthorized communication or entertainment (web surfing, instant messaging, DVD viewing, music playing, game playing, etc.) during class.

Academic Integrity:

It is the official policy of the University that all suspected cases or acts of alleged scholastic dishonesty must be referred to the Dean of Students for investigation and appropriate disposition. It is contrary to University policy for a faculty member to assign a disciplinary grade such as an "F" or zero to an assignment, test, examination, or other course work as a sanction for admitted or suspected scholastic dishonesty in lieu of normally charging the student through the Dean of Students. Similarly, students are prohibited from proposing and/or entering into an arrangement with a faculty member to receive a grade of "F" or any reduced grade in lieu of being charged with scholastic dishonesty.

Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

Course Repeat Policy:

The university has adopted a policy that limits undergraduate course enrollment. The policy was implemented in the Fall semester of 1995. Courses taken before Fall 1995 will not count as enrollments in meeting the maximum three enrollments in a course. As noted, individual colleges may have more restrictive policies. The university policy is as follows:

Limits on Undergraduate Course Enrollment.

In most instances a student may enroll in an undergraduate class a maximum of three times, except with the permission of the student's academic dean. A student may enroll more than three times in a variable topic, studio, performance, workshop or other course that is identified as 'may be repeated for credit.' This includes enrollments that result in a grade of 'W', 'F', 'D', or 'P'. It does not apply to courses taken prior to the students' re-enrolling under 'Option 2' or Readmission After Extended Absence. Individual colleges may have more restrictive policies. The College of Business Administration instituted a "3 time" enrollment limitation in the Spring of 1993. Business courses taken that semester or later are subject to this rule.

A student may not enroll in a course in which a grade of 'C' or higher has been previously earned (except for a variable-topic, studio, performance, workshop or other course that is identified as 'may be repeated for credit'). Moreover, a student may not enroll in a course in which he or she has an unresolved grade of 'I'.

As of the 2005 fall semester, the University has instituted a surcharge of \$100 per course hour, for any course the student enrolls in for the third time.

Drop Date:

DO NOT ASSUME THE PROFESSOR WILL DROP YOU AUTOMATICALLY FROM CLASS IF YOU STOP ATTENDING BEFORE THE DROP DEADLINE. It is YOUR responsibility to drop the class if it is your desire to do so. After the University drop deadline, a grade of "W" can be assigned only under exceptional circumstances and only with the approval of the instructor and academic dean. Such students must petition for the "W" grade in writing and provide necessary supporting documentation. Exceptions to the deadline will be rare and determined under exceptional conditions as noted in

the University catalogue. All other students dropping after the deadline must be dropped with the grade earned as of the end of the semester.

**Statements on Faculty and Student Responsibilities:**

Statements on faculty and student responsibilities may be found on the College of Business website at:  
<http://business.utep.edu/About/responsibilities.aspx>.

**Class Attendance:**

Students are expected to arrive on time, participate in the class and stay for the entire class period. If you must leave early for any reason, please inform me beforehand. You wouldn't walk away from a Board meeting or a client meeting – do not walk away from a lecture in progress.

If you are unable to attend class, you are still responsible for material covered during that class period. Please ask one of your classmates for notes.

**Other:**

- Please do not expect me to accept late projects/exams. Other students will have made adjustments to their schedules to permit them to complete the projects on time. It is unfair to them if I make exceptions for you
- Only beverage or water containers with lids are allowed in the classroom. No food is allowed
- This syllabus is subject to change depending on the time needed to cover each particular topic. Any changes will be updated and posted on the Blackboard