**BUAD 401 International Accounting**

**Course Syllabus, Spring 2018**

**Professor:** Dr. Denise A. Jones

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**Class:** Monday and Wednesday, 2:00 to 3:20, Miller Hall 1088

**Office Hours:** posted to Blackboard and by appointment

# Required Materials and Other Resources

*Textbook (highly recommended)*: *International Accounting*, 4th edition, by Doupnik and Perera, published by McGraw Hill

*Required Cases*: A case pack containing 5 Harvard Business School (hereafter denoted HBS) cases can be purchased directly through the HBS website: http://cb.hbsp.harvard.edu/cbmp/access/74490095

*Other Information Sources:* Course materials that are available electronically will be uploaded to Blackboard, which is located at: <http://blackboard.wm.edu>. Keep in mind that many class handouts are not available electronically.

# Course Content and Objectives

This is an elective course on international accounting. The course has three objectives. First, we will discuss worldwide accounting standards with a focus on the differences between US Generally Accepted Accounting Principles (US GAAP) and International Financial Reporting Standards (IFRS). Second, we will discuss accounting issues that arise from international activities, including foreign currency translation and hedging foreign currency risks. Third, you will be introduced to regulatory issues related to international operations such as taxation of income earned overseas and audits of subsidiaries in other countries. For the topics covered in the course, you will gain an understanding of current financial accounting measurement and disclosure requirements. You will also develop skills in analyzing and interpreting financial information and will develop a deeper understanding of the information provided in financial statements from both a preparer’s standpoint and an investor’s standpoint.

Grading

Final grades will be assigned based on the following:

#### Mid-term Exam 1 25%

Mid-term Exam 2 25%

#### Final Exam 28%

#### Case Write-ups 16%

#### Class Preparation/Participation 6%

100%

# Exams

There will be two in-class mid-term exams, each worth 25% of your final grade. There will be a final exam (worth 28% of your final grade) that will be given on the date and time determined by the University Registrar. See me as soon as possible if you have a conflict.*Make-up exams for legitimate conflicts will take place* ***prior*** *to the scheduled exam.* If an unexpected medical or family emergency occurs immediately before the scheduled exam, please call or email me and leave a message ***prior to the missed exam***. You will be expected to provide documentation of the emergency. If you are not excused from the exam and miss it, you will receive a zero on the exam.

Case write-ups

During the semester, we will use four Harvard Business School (HBS) cases to evaluate real companies using the concepts learned in class. For each case, there is a short write-up due on the dates listed in the schedule of assignments. Each case write-up is worth 4% of your final grade and a **hard copy** of the write-up is due at the **beginning of the class** in which the case will be discussed. If you will be missing class for an excused reason (such as a job interview or medical emergency), the assignment must be turned in *prior* to class. **Case discussion questions are posted to Blackboard**. Your write-up should focus on the posted questions, not on summarizing the facts of the case.

This is an individual assignment and you may not receive help from anyone on this assignment (including former students or other individuals not at William & Mary). It must be 100% your own work and all questions should be addressed to your professor. It is an honor code violation to give or receive any assistance on this assignment. This includes copying any material from online or other sources without proper footnoting and citation.

Class Preparation/Participation

The course is designed to provide you with an in-depth understanding of the material covered. That material is both complex and challenging. A serious effort on your part, both inside and outside of class, is required to master the various topics. Class sessions will be most productive when you come to class prepared to discuss the assignment for that day. Your participation grade will be based on both class attendance and contribution to class discussions. A participation grade in the ‘A’ range can be earned *only* if you both *attend* most of the classes and *contribute* to class discussions on a regular basis by preparing for class ahead of time, asking questions, and participating in discussions.

Use of Computers and Cell Phones in Class

Please keep in mind that we are in a group setting. Actions that may otherwise be relatively innocuous can be very disruptive in a group setting, so please conduct yourself in a manner that demonstrates respect for your classmates. Personal use of computers during class (e.g., checking e-mail; surfing) infringes on the ability of your classmates to learn. Out of courtesy for your classmates, please turn your computer off at the beginning of class unless the computer is required for a class related activity. In the circumstances where the use of computers in class is appropriate, the internet, email, and any messaging software should remain off. In addition, all cell phones, Blackberry’s, iPhones, pagers, and other similar devices should be turned off at the beginning of class. The penalty for using these devices during class or for personal use of computers during class is a failing grade for class participation.

Policy on Recording the Class

**No recordings** of the class, either audio or video, should be made without the permission of the Professor.

W&M Honor Code

The College of William & Mary has had an honor code since at least 1779. Academic integrity is at the heart of the university, and any breach of this integrity is considered to be very serious and not in keeping with the overall intellectual and ethical foundations of the Mason School of Business. We are all responsible for upholding the ideals of honor and integrity.

Violations of the Honor Code are very serious and can result in suspension or dismissal from the College. The Honor Code is administered by the Honor Council and I will report all suspected instances of academic dishonesty to the student-led honor system. Sanctions apply to all parties involved in a violation. For a full description of the policies and procedures of the Honor System see [**www.wm.edu/studenthandbook**](http://www.wm.edu/studenthandbook). Your full participation and observance of the Honor Code is expected. To read the Honor Code, see [**www.wm.edu/honor**](http://www.wm.edu/offices/deanofstudents/services/studentconduct/facultyresources/otherinstitutions/index.php#www.wm.edu/honor).

All academic work in this course, including the project, case write-ups, and the final exam, is to be 100% your own work. In addition, each student is required and expected to purchase his/her own HBS course pack to gain access to assigned cases. Copying or reading another student’s HBS case to avoid purchase is considered a violation of the William and Mary Honor Code.

Accommodations

William & Mary accommodates students with disabilities in accordance with federal laws and university policy. Any student who feels they may need an accommodation based on the impact of a learning, psychiatric, physical, or chronic health diagnosis should contact Student Accessibility Services at 757-221-2512 or at [sas@wm.edu](mailto:sas@wm.edu) to determine if accommodations are warranted and to obtain an official letter of accommodation. For more information, please visit [/www.wm.edu/sas](https://www.wm.edu/sas).

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| **Date** | **Topic** | **Assignment** |
| Wed. 1/17 | Introduction | Skim: Ch. 1 |
| Mon. 1/22 | International convergence and overview of International Financial Reporting Standards (IFRS) | Skim: Ch. 3  Ch. 5, p.185-196 and 205-210  Ch. 10  Read: Ch. 2  Ch. 4, p.118-122 and 154-155  Ch. 5, p.180-182 |
| Wed. 1/24 | IFRS vs. US GAAP—PP&E | Read: Ch. 4, p.122-131 |
| Mon. 1/29 | IFRS vs. US GAAP—PP&E | **Prepare HBS Case:** Land Securities Group (A): Choosing Cost or Fair Value on Adoption of IFRS, and answer discussion questions posted to Blackboard |
| Wed. 1/31 | IFRS vs. US GAAP—Intangible assets | Read: Ch. 4, p.134-141 |
| Mon. 2/5 | IFRS vs. US GAAP—Impairment | Read: Ch. 4, p.131-134 |
| Wed. 2/7 | IFRS vs. US GAAP—Control | Read: Ch. 9, p. 463-474 |
| Mon. 2/12 | IFRS vs. US GAAP—Control | **Prepare HBS Cases:** Kanebo Ltd. (A) and Kanebo Ltd. (B), and answer discussion questions posted to Blackboard |
| Wed. 2/14 | IFRS vs. US GAAP—Control |  |
| Mon. 2/19 | **Midterm** |  |
| Wed. 2/21 | Risk Management using Futures, Options and Swaps | Read: Ch. 7, p. 350-354 |
| Mon. 2/26 | Risk Management using Futures, Options and Swaps |  |
| Wed. 2/28 | Risk Management using Futures, Options and Swaps |  |
| Mon. 3/5 | Spring Break—no class |  |
| Wed. 3/7 | Spring Break—no class |  |

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| **Date** | **Topic** | **Assignment** |
| Mon. 3/12 | Foreign Currency Transactions & Hedging | Read: Ch. 7 |
| Wed. 3/14 | Foreign Currency Transactions & Hedging |  |
| Mon. 3/19 | Foreign Currency Transactions & Hedging | **Prepare HBS Case:** Oriflame S.A. (A), and answer discussion questions posted to Blackboard |
| Wed. 3/21 | International Tax Issues | Read: Ch. 11 |
| Mon. 3/26 | Guest Speaker—International Tax Issues | Read: Ch. 12 |
| Wed. 3/28 | **Midterm Exam 2** |  |
| Mon. 4/2 | Foreign Currency Translation | Read: Ch. 8 |
| Wed. 4/4 | Foreign Currency Translation |  |
| Mon. 4/9 | Inflation | Read: Ch. 9, p. 449-463 |
| Wed. 4/11 | Inflation |  |
| Mon. 4/16 | Guest Speaker—International Tax Issues |  |
| Wed. 4/18 | Regulatory environment, cultural issues, and corporate governance issues | Skim: Ch. 6  Read: Ch. 6, p.277-291  Ch. 14  **Prepare HBS Case:** Alibaba Goes Public (A), and answer discussion questions posted to Blackboard |
| Mon. 4/23 | Guest Speaker—International Audit Issues |  |
| Wed. 4/25 | Wrap-up and review |  |
| Tues. 5/1 | **Final Exam (2:00-5:00)** | Note: Date and time are tentative and are subject to final exam schedule. |