**ACCT 430 – SPRING 2020**

**International Accounting**

**Location: PH 274 1:30-2:45 PM, Monday and Wednesday**

**Instructor:** Julie E. Gittelman, CPA, MBA

**Office:** Perdue Hall, Room 239

**Office Hours:** 8:00-9:00 AM Mon, Wed, Fri, and 12:00-1:30 PM Mon and Wed, and by appointment

**E-mail:** jegittelman@salisbury.edu **(preferred method of communication)**

**Office Phone:** (410) 677-0167

**Class Website:** MyClasses Canvas (please use “Modules” when navigating in MyClasses)

**Materials** International Accounting, 5th edition, Doupnik, Finn, Gotti, Perera, McGraw Hill, 2020

 ISBN 9780077862206. Students must use the 5th edition of the text.

***Inclusive Access***

Through Inclusive Access students receive a deeply discounted price for Connect/eBook.

More information about Inclusive Access can be found in MyClasses in the “Inclusive Access – McGraw-Hill Connect and eBook” module.

All students will have access to Connect/eBook at the start of the semester.  Any student enrolled in the course will be billed for their course materials through their Gullnet account for the cost of the Connect/eBook unless they opt out.

**Other:** For each chapter, students will need to bring the chapter outline or Powerpoint (available in MyClasses Canvas), pencils, highlighter and a simple function calculator to every class.

**Laptop / tablet use is not permitted in class**.

**Course Overview:** This course is an introduction to a variety of international accounting issues encountered by multinational organizations. Areas of focus include IFRS, foreign currency transactions, international taxation, transfer pricing, strategic planning and international sustainability reporting.

**Grading Components: Points**

 LearnSmart (12 chapters @ 10 points each) 120

 Homework (11 chapters @ 5 points each 55

 Midterm Exam 200

 Final Exam 300

 Research Paper and Presentation 250

 Participation 55

 Team evaluation 20

 TOTAL 1,000

**Grading Scale\*:**

 900 points or more ……... A

 800-899 points ……………. B

 700-799 points ………..…. C

 600-699 points ……………… D

 Fewer than 600 points …. F

**Specific Course and Classroom Policies:**

**Syllabus**

This syllabus is subject to revision as necessary.

**Lectures and course materials**

Chapter outlines and Powerpoint presentations delivered in class, and course materials created and distributed for class, are protected by federal copyright law as my original work, or the original work of the textbook authors or case authors. You are permitted to take notes during lecture and to use course materials for your use in this course. You may NOT record lectures. You may NOT publicly distribute or display, or allow anyone else to publicly distribute or display, course materials or lecture notes.

**LEARNING STRATEGY**

• *LEARNSMART*

* There is no substitute for reading the text. The LearnSmart (LS) system helps document that you do so. This technology adapts and adjusts the content based each student’s individual strengths, weaknesses and confidence level.
	+ -LS is seamlessly integrated with ConnectPlus and SMARTBOOK, which is an adaptive, personalized reading experience.
	+ -You have an infinite number of attempts prior to the due date, **so all possible points are achievable.**
	+ -There is a LS assignment associated with each chapter which must be completed by 11:59 p.m. on the due date.  **THERE ARE NO EXCEPTIONS FOR DUE DATES.**
* *HOMEWORK*

Homework problems are assigned for each chapter and posted in MyClasses in each chapter module. Homework assignments are submitted on MyClasses. No submissions are accepted after the due date. Students should be prepared to present and discuss homework solutions in class.

**THERE ARE NO EXCEPTIONS FOR DUE DATES.**

• *EXAMS AND MAKE-UP POLICIES*

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

▪ Standard four function calculators will be provided during exams, and the use of provided calculators is mandatory.

▪ No make-up will be given for any exam once it has been administered to the class.

▪However, if you know that you will be absent when an exam is scheduled, you can arrange to take the exam early.

With respect to the final exam, any requests by a student to deviate from the final exam schedule must strictly follow the Salisbury University Registrar’s Office Final Exam Schedule Policies.

**Final Exam Date: Thursday, May 14, 2020 from 1:30-4:00 PM in PH 274**

* *RESEARCH PAPER AND PRESENTATION*

See page 6 of this syllabus.

• *PARTICIPATION*

Students should come prepared to participate in the lectures and discuss any problems/cases

assigned in each chapter, as I will call upon students during class to assist me in presenting and discussing the problems.

Student participation will count for approximately 55 points, and the points assigned are based on my subjective determination of your preparation and familiarity with the chapter topics and in-class discussion problems.

Keep in mind you have to show me that you are prepared, engaged, and willing to participate in order to receive a high participation grade.

Note: failure to be present during three or more days will result in a significant loss of points

• *TEAM EVALUATION*

Other members in your team will evaluate their perception of your team participation and contribution on a scale from 0% to 100%. Due date for team evaluation is **April 22, 2020 by 11:59PM,** submitted in MyClasses. No late evaluations will be accepted.

You do not receive credit for submitting your evaluation for your teammates. If your teammate fails to submit their evaluations for you, I will take the average of the submitted evaluations. If there is no team evaluation for you, I will assume you have 10 points (out of 20 points) for Team Evaluation.

I recommend your team discuss thoroughly how you decide to teamwork for the project. If necessary, prepare an agreement and have all your team members signed and dated.

Evaluation format: word document. Evaluation content: Name of the student being evaluated, evaluation score. For example: *John Smith: 95%*

**Make-up work or extra credit**

None

**Attendance**

Attendance and participation are required, and are essential for successful completion of this course. Attendance will be taken every class. If you need to miss a class, please let me know in advance. For each absence in excess of four (4) classes, the final letter grade will be lowered by one letter grade, regardless of performance. If you must exit or re-enter the classroom during class, please do so in a courteous and non-disruptive manner. Food may not be consumed during class.

**Communications**

E-mail is my preferred means of communicating outside of class or office hours. Please be sure to include a direct address salutation/greeting and a closing/identification line when corresponding by e-mail. Please make sure you identify your class (ACCT 430) when communicating by e-mail.

**PROFESSIONAL CONDUCT**

**• Academic Honesty**

 o Students are expected to adhere to the highest standards of ethical behavior and integrity. SU has established a comprehensive Student Code of Conduct. The quizzes and exams are to be completed on an individual basis. Homework assignments may be completed in groups of two or three, with each participating equally. The homework is intended to be a true learning experience, and sometimes that goal is best served with collaborative effort. However, cheating or other unethical behavior will not be tolerated in ***any*** form in this course.

**• Professional Behavior**

o The Perdue School has established the Business Student Code of Professionalism to help prepare you for the situations you will encounter in your chosen profession. This code includes but is not limited to: upholding the highest standards of personal and academic integrity, having a presentable appearance, arriving on time, being an active contributing member, remaining engaged, being prepared, and investing time necessary to complete all assigned work. All students are expected to conduct themselves in accordance with this code.

**Withdrawal from class**

If you should decide to drop or withdraw from this course or withdraw from the University, you must comply with the official procedures (confer with the Office of the Registrar) or receive a grade of “F” for this course. For the Fall semester, the last day to withdraw (“W”) is Friday, April 3, 2020.

**University Writing Center**

At the University Writing Center (directly above the Fireside Lounge in the Guerrieri University Center), trained consultants are ready to help you at any stage of the writing process. It is often helpful for writers to share their work with an attentive reader, and consultations allow writers to test and refine their ideas before having to hand papers in or to release documents to the public. In addition to the important writing instruction that occurs in the classroom and during teachers’ office hours, the center offers another site for learning about writing. All students are encouraged to make use of this important service. For more information about the writing center’s hours and policies, visit the writing center or its website at [www.salisbury.edu/uwc](http://www.salisbury.edu/uwc).

**Students with disabilities**

Please notify me if you have a learning disability or require special assistance with this course. Any disability must be registered with the Office of Disability Support Services in the Division of Student Affairs. Confidential personal and learning assistance counseling are made available to students through the Division of Student Affairs. Please visit the Office of Disability Support Services at http://www.salisbury.edu/students/dss for more information.

**Inclement weather**

Classes canceled by me or by the University will be made up accordingly. Topics that were to be covered during the canceled class will extend to the next class meeting. Please use your own judgment when hazardous traveling conditions are present.

**Code of Conduct**

All students are required to sign a Code of Conduct for this course. The Code of Conduct will be distributed the second week of class.

**Electronic Equipment**

Cell phones, laptops, tablets and pagers must be turned off and stored out of sight during class, and may not be used as a calculator during class or for exams.  Checking phone, email, or pager message, or otherwise using cell phones, laptops or pagers during class, is considered unprofessional behavior for the purposes of this policy. Calculators will be provided during exams, and use of provided calculators is mandatory.

Research Paper and Presentation

This is the only team project and I will assign your team members. Assume you are hired by an investor having $1,000,000 capital available for investment. This investor is looking for a good company to invest in overseas. Each team will pick a country (other than the United States). No two teams can pick the same country. After picking a country, each team will pick a company within that country and search and study the company’s annual financial reports.

The paper involves a report including a critique of the informativeness of a set of corporate annual reports from a company 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 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 25 minute in class presentation of each paper. **A paper copy of the research paper and power point presentation slides are due at the beginning of class on April 27, 2020. No late submissions will be accepted.**

Research paper project:

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

1. The paper should be typed and double-spaced. Follow The Accounting Review journal 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. We will select your country choice during class and determine the group order of the presentations.
3. Each teammate has primary responsibility for one annual report. Thus, a three-person team analyzes three annual reports. For example, annual reports from the years 2016, 2017 and 2018 of company ABC from country XYZ.
4. The annual report should be the most recent one available.
5. 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.
6. The paper and presentation must be a professional, integrated, coordinated team effort, not a collection of individual efforts.
7. All team members must speak in the in-class presentations. **Please indicate on the slides which team member will be presenting that information.**
8. Use graphs, figures, and / or charts to support your analysis. Pay attention to significant changes over time across annual reports.

When writing the analysis of the annual report of the company, make sure to address the following questions:

1. What is the country of incorporation? What is the industry in which the company is active? What are the geographical and operational segments of activities and where are they disclosed? Why?
2. How would you classify the country of incorporation based on Hofstede’s cultural dimensions and Gray’s accounting values? Explain.
3. What is the company’s structure of corporate governance? Any historical / cultural factors that might influence it? What is the name of the auditor? What does the auditor say about the company’s financial statements? To whom is it addressed?
4. What accounting standards does the company follow? Does it report under more than one standard? If yes, which one, and why? Is the company listed on any international Stock Exchange? If yes, where?
5. Does the company file with the SEC? If yes, how is net income reported under home country GAAP comparable with the net income reported under US GAAP?
6. Anything worth mentioning under PP & E? Did the company re-evaluate any of the the assets during the period? Why?
7. If the company has inventory, how is it reported? Does the company report inventory under the LIFO assumption? If yes, why? If not, why not?
8. What about intangible assets? Any difference in the financial statements reporting of the company compared with the intangible assets reporting under US GAAP?
9. What method is the company adopting in translating foreign currency financial statements? Determine what is the functional currency of the company’s foreign operations, the amount of translation adjustment, and whether reported in other comprehensive income or in the income statement and explain why.
10. Does the company hedge for exchange risk? What are the instruments used and how/where are they reported? How is the company reporting accounting for inflation?