

ACCO 4040/5040 International Accounting
Spring 2020 Syllabus
Class Time: Tuesday & Thursday 2:00 PM - 3:15 PM
Class Location-Section 101: David Straz Hall 388

Instructor: Dr. Xin Luo

Office: David Straz Hall 336

Email: xin.luo@marquette.edu

Office Phone: 414-288-7238

Office Hour: Tuesday and Thursday 3:30PM-5:00PM

Wednesday 2:00PM-5:00PM

Or by appointment

Course Materials:

Required Textbook

International Accounting 5th Edition by Douppnik

ISBN: 9781260466539

Websites

D2L: d2l.mu.edu

(I communicate any Course Schedule changes via email and/or D2L. You are responsible for regularly checking your Marquette email address and D2L to receive course updates and communications.)

SEC EDGAR Filing: <https://www.sec.gov/edgar/searchedgar/companysearch.html>

IFRS: <http://www.ifrs.org/IFRSs/Pages/IFRS.aspx>

Other Material(s):

Non-alpha, non-programmable, non-graphing calculator *for exams*.

You only need simple, four-function calculator to complete homework and exam questions.

Course Objectives

This course will introduce the current accepted IFRS, the differences or similarities between IFRS and US GAAP and the resulting impact of these differences or similarities on entities' financial statements. This course will also review the accounting diversity across the world and the history of accounting harmonization and convergence. Students will learn to identify accounting issues within multinational corporations and/or in an international business environment, such as foreign currency, transfer pricing, and international capital budgeting. A further purpose of this course relates to teach students critical thinking and skills. While working on a class project, students will search for professional guidance in the US GAAP and IFRS, employ appropriate accounting decisions to derive solutions, and understand the effects of using IFRS versus US GAAP on entities' earnings or financial positions.

ACCO 4040/5040 and the Marquette Core Curriculum:

This course is directly related to two learning outcomes (#5 & #6) of the Marquette University Core:

#5. Leaders in Discovery: Marquette students will advance understanding of the world by identifying significant questions and then searching for answers based on a systematic process of discovery that is rooted in intellectual inquiry and the Jesuit liberal arts tradition.

#6. Global Problem Solvers: Marquette students are well-practiced in cooperative and cross disciplinary problem-solving skills and they can present innovative solutions that draw from theological, philosophical, qualitative and quantitative perspectives to address the increasingly blurred lines between local and global challenges.

ACCO 4040/5040 covers topics such as the comparison of world-wide accounting standards, the harmonization and convergence of accounting standards across the world, and critical accounting issues faced by multinational corporations.

The learning outcome of understanding the crucial accounting issues in multinational corporations and/or in an international business environment is directly aligned with #5 of the University Core and is assessed through the Background Summary of Trade War. The Background Summary of Trade War assignment guides students to reflect on current events and to discover relevant accounting issues in an international business environment.

The learning outcome of understanding the differences or similarities between IFRS and US GAAP, and the application of IFRS and US GAAP to real life cases is directly aligned with #6 of the University Core and is assessed through the International Financial Reporting Project. The International Financial Reporting Project prepares students understand the complexity of global financial reporting.

College of Business Administration Assessment Statement

The fundamental mission of the College of Business Administration is to provide a quality education grounded in Catholic, Jesuit intellectual values. Students are expected to learn how to function effectively in a diverse and global economy so that they may develop into ethical and socially responsible global leaders and responsible members of their organizations and communities. As one of many methods of assuring that the goals of our educational mission are successfully met, the college regularly and systematically engages in the assessment of these competencies.

Students in the Bachelor of Science in Business Administration program are assessed on their ability to reason ethically, communicate effectively, analyze critically, and understand local, national and global business and cultural issues. Students in our MBA program are assessed on their competency to communicate effectively, reason ethically and apply critical thinking, as well as their capacity to comprehend the global strategic issues of firms and perform fundamental activities of business managers. Students majoring in our other graduate and undergraduate programs are assessed on specific competencies related to their disciplines.

Assessment takes place each semester in all programs using quantifiable measures; the data is analyzed and the information is used to help continuously improve the educational process. The College of Business Administration is dedicated to successfully providing a quality education for our students and assessment is part of the process the college uses to evaluate our success.

Additional information on assessment can be found at (<http://www.marquette.edu/assessment/>) or in the assurance of learning tabs under <http://business.marquette.edu/academics/assurance-of-learning-undergrad> or <http://business.marquette.edu/academics/assurance-of-learning-graduate>

The College of Business Administration's undergraduate assessment goals are:

- i. Demonstrate effective communication skills to business situations
- ii. Analyze the global business environment
- iii. Analyze the domestic business environment
- iv. Demonstrate critical thinking skills to business situations
- v. Demonstrate an ethical understanding and perspective to business situations

Each undergraduate major also has a unique program goal and associated learning outcomes. The Department of Accounting's Accounting undergraduate major assessment goals are:

- i. Apply critical thinking skills
- ii. Perform entry level accounting operations
- iii. Demonstrate oral and written communication skills
- iv. Analyze the international environment
- v. Analyze ethical issues
- vi. Utilize technology skills

Mission of Accounting Department

The mission of the Department of Accounting in the College of Business Administration is to prepare students to be responsible, competent and ethical leaders in accounting, business, government, and not-for-profit careers. Marquette's undergraduate degree in accounting builds upon the liberal arts requirements by emphasizing oral and written communication skills, ethical behavior, analytical reasoning, computer competency, and technical knowledge sufficient for attaining a relevant accounting profession. The Master of Science in Accounting (MSA) degree focuses on: (1) enhancing the student's knowledge in finance, management, and specific accounting areas, (2) preparing the student for professional examinations (e.g., CPA, CMA, CIA, CPFO), and (3) qualifying students for positions in public, corporate, or government/not-for-profit accounting.

We emphasize leadership and service through the internship program and activities of our student chapter of Beta Alpha Psi. Students can meet the 150 hour requirement for certification either through the undergraduate degree (with 150 credit hours), the MSA, or the Master of Business Administration (including courses needed to qualify for the CPA examination). This

information is also available at <http://business.marquette.edu/departments/accounting>.

To graduate with an accounting major, you must have a minimum QPA (Quality Point Average) of 2.500 earned in all College of Business Administration courses taken at Marquette University. Also, a grade of C or higher must be earned in all ACCO courses and in BULA 3001 and 4001.

Grading

Final course grades will be based on your total points for the course:

Undergraduate Grading:

| | |
|---|---------|
| Exam 1 | 125 pts |
| Exam 2 | 75 pts |
| Exam 3 | 125 pts |
| International Financial Reporting Project | |
| Part I | 50 pts |
| Part II | 25 pts |
| Summary of Trade War | 20 pts |
| Homework | 60 pts |
| Participation | 20 pts |
| Totals | 500 pts |

Graduate Grading:

| | |
|---|---------|
| Exam 1 | 125 pts |
| Exam 2 | 75 pts |
| Exam 3 | 125 pts |
| International Financial Reporting Project | |
| Part I | 50 pts |
| Part II | 25 pts |
| Summary of Trade War | 20 pts |
| Homework | 60 pts |
| Research Paper& Presentation | 50 pts |
| Participation | 20 pts |
| Totals | 550 pts |

Cut-off points-undergraduate students:

| | | |
|----------|----|----------------|
| 465-500 | A | (93%+) |
| 450-464 | A- | (90% - 92.99%) |
| 435-449 | B+ | (87% - 89.99%) |
| 415- 434 | B | (83% - 86.99%) |
| 400-414 | B- | (80%-82.99%) |
| 380-399 | C+ | (76% - 79.99%) |
| 365-379 | C | (73% - 75.99%) |
| 345-364 | C- | (69%-72.99%) |

| | | |
|---------|----|----------------|
| 330-344 | D+ | (66% - 68.99%) |
| 300-329 | D | (60% - 65.99%) |
| <300 | F | (< 60%) |

Cut-off points-graduate students:

| | | |
|----------|----|----------------|
| 512-550 | A | (93%+) |
| 495-511 | A- | (90% - 92.99%) |
| 479-494 | B+ | (87% - 89.99%) |
| 457- 478 | B | (83% - 86.99%) |
| 440-456 | B- | (80%-82.99%) |
| 418-439 | C+ | (76% - 79.99%) |
| 402-417 | C | (73% - 75.99%) |

If you have questions about your grade, please discuss it with me at your earliest convenience.

Last Day to Withdraw

Friday, April 17, 2020.

Getting Help

The best way to contact me is through email and office visit. I make it a point to respond to all e-mail questions within 24 hours during the business week. I frequently check my e-mail on weekends as well, but I can only commit to a response the following Monday.

Technology Policy:

Cell phones, laptops, tablets, kindles, and other electronic devices must be turned off and put away during class. Text messaging or using an electronic device during class without permission will count as an absence.

Participation/Attendance

I encourage and expect you to actively participate in class discussions. Completion of the homework assignments will enhance your opportunity to participate. Feel free to ask questions, as this will provide evidence of your preparation and interest in the course.

Attending class is essential to obtaining a good grade and understanding of the material. I will prepare a seating chart to take attendance at the top of the hour. The College of Business Administration attendance policy is followed in this class. Four absences, constituting the equivalent of two weeks out of a sixteen-week semester class that meets two times a week for 75 minutes, are considered excessive by the College, and students are subject to being dropped from the class roster without warning. Tardiness of more than 10 minutes also counts as an absence. You will be dropped (earning a grade of WA) on or with the fifth absence.

Any absence, regardless of the reason, prevents students from getting the full benefit of the course on a day of absence and, as such, no distinction is made between excused and unexcused absences, with the following exceptions:

Absences resulting from legal obligations (such as jury duty).

Absences resulting from university sanctioned activities and related travel.

Students assume all consequences that ensue from receiving a WA grade. These consequences include, but are not limited to: a delay in graduation, loss of eligibility for certain scholarships or financial aid, loss of full-time student status. After the WA grade has been issued, the student may not apply for a grade of W. All students enrolled in courses taught by the College of Business must conform to the attendance policy in effect for the College even though they are registered students through another college or division of Marquette University. College attendance policy also states that any student that is absent from any final exam in the college of business must file a written excuse with the assistant dean for undergraduate programs in the college's main office within 48 hours of the absence. Please see the college of business administration website for more information at:

<http://business.marquette.edu/academics/current-student-information>

In order to minimize the difficulties for both students and instructors caused by absences due to legal obligations, or university sanctioned activities and related travel students should:

Make every effort to schedule classes that will minimize conflicts caused by these activities and related travel.

Provide a schedule of all activities and related travel to me within the first week of each semester, or as soon as possible for non-scheduled events.

Obtain any class notes or other course material missed due to these absences before taking any subsequent examinations or submitting the end-of-semester report.

Make arrangements with the instructor to make up any missed work, prior to any of these absences.

Faculty should:

Develop with the student, an agreed upon and mutually acceptable resolution as to how missed classroom activities and missed work will be handled as a result of these activities, if make-up work is allowed in the faculty policy.

The above section represents university standards for absences due to legal obligations and university sanctioned activities and related travel; each undergraduate college may have additional requirements for students enrolling in its courses.

Background Summary of Trade War

Students need to write a summary of critical business and accounting issues caused by the recent trade war. Information collected in this summary will be used to facilitate in-class discussion in Module 3. Detailed guidelines will be provided on a separate handout. This summary should be done by teams of three students. This summary is due on March 17, 2020.

International Financial Reporting Project/20-F Project

Students need to analyze the financial report of a foreign firm listed in United States. Detailed guidelines will be provided on a separate handout.

Project should be done by teams of three students. Part I of this project is due on March 5, 2020. Part II of this project is due on April 23, 2020.

Research Paper& Presentation

This assignment is required for students registered for ACCO 5040. Students need to write a research report on a foreign country's accounting standards. Detailed guidelines will be provided on a separate handout. Research paper and presentation should be done by teams of three students. Research paper is due on April 7, 2020.

Exam Retention Policy

We will have a chance to review graded exams in the class period following an exam. However, exams may not be removed from the classroom and must be returned. Failure to do so will result in a zero grade for the exam. You are also welcome to review your exams during the semester during my office hours.

Class Organization

Students are expected to thoroughly read each chapter before the chapter is discussed in class and have questions ready on points that they do not understand. After discussing the chapter material, we will go over exercises and problems to enhance your understanding.

Grade Appeals

If a student does not agree with his/her grades on either exams or any other assignments, he/she can discuss the grade with the instructor within one week of period after the grades were disclosed. For example, if an exam is graded on February 15th, the student can appeal the grade until February 22nd. Otherwise, his/her exam grade will not be modified.

To appeal the final grade, a student must take initiatives to resolve any disagreements with the instructor of the course. If this approach does not resolve any problem, the student has right to appeal the final grade by submitting a formal written statement to the chair of the Accounting Department. This statement must contain the reasons why the final grade should be different than the previous one assigned by the instructor. Students must initiate this appeal process by no

later than the scheduled day to remove incompleteness. In other words, to submit formal statements, students have four weeks after the beginning of the regular academic term immediately following the term in which the final grade was assigned (or posted). After four weeks, students can appeal the final grade to the Associate Dean and the Dean of the College of Business Administration.

Special Needs

Please inform me during the first week of class if you have any conditions that may limit or affect your ability to participate in this course so that we can make the necessary arrangements. You may also contact the Office of Student Disability Services in the 707 Building (8-1645) for more information (see also: <http://www.marquette.edu/disability-services/>).

Emergency Plan

Every Marquette University campus building has emergency shelter and evacuation plans. Please familiarize yourself with the plans of each building in which you take classes or attend meetings. Make sure to note the routes to the lowest level of the buildings for shelter during inclement weather, as well as exits from in the event of fire or other emergency.

Academic Integrity

We, the scholars of Marquette University, recognize the importance of personal integrity in all aspects of life and work. We commit ourselves to truthfulness, honor, and responsibility by which we earn the respect of others. We support the development of good character in our academic community, and commit to uphold the highest standards of academic integrity as an important aspect of personal integrity. Our commitment obliges us as students, faculty, and staff to conduct ourselves according to the Marquette University Honor Code set forth below. We do this in pursuit of Marquette University's mission, which is the search for truth, the discovery and sharing of knowledge, the fostering of personal and professional excellence, the promotion of a life of faith, and the development of leadership expressed in service to others.

Students are asked to commit to academic integrity through the following *honor pledge*:

I recognize the importance of personal integrity in all aspects of life and work. I commit myself to truthfulness, honor, and responsibility, by which I earn the respect of others. I support the development of good character, and commit myself to uphold the highest standards of academic integrity as an important aspect of personal integrity. My commitment obliges me to conduct myself according to the Marquette University Honor Code.

The research paper is subject to submission to a plagiarism detection service such as 'Turnitin'. Students are required to turn in electronic versions of their written assignments. Academic dishonesty, which includes cheating dishonest conduct, plagiarism, and collusion, will not be

tolerated. I will follow the University's procedures for incidents of academic dishonesty, which can have severe repercussions. Please review the University's policies and procedures: <http://bulletin.marquette.edu/schoolofmanagement/academicregulations/>

Dishonesty in class assignments, including homework, quizzes, projects, and examinations shall be liable to a minimum censure of "F" in the course and a maximum censure of expulsion from the university.

Schedule: Tentative Schedule of Events (The timing is subject to change):

| | | Topic | Pre-class Reading/In-Class Material | Assignment/Project/Presentation |
|--------|-----------|---|---|---|
| Week 1 | 1/14/2020 | Introduction to International Accounting | | |
| | 1/16/2020 | Conceptual Framework | Pre-Class Reading: Pg 79-82, Pg 68-73 ; In-class: Handout | |
| Week 2 | 1/21/2020 | Current Assets: US GAAP vs. IFRS | Pre-Class Reading: Pg 102-127, Pg 135-136; In-class: Handout/E&Y material | |
| | 1/23/2020 | Current Assets: US GAAP vs. IFRS | | |
| Week 3 | 1/28/2020 | PP&E: US GAAP vs. IFRS | Pre-Class Reading: Pg 102-127, Pg 135-136; In-class: Handout/E&Y material | |
| | 1/30/2020 | PP&E: US GAAP vs. IFRS | | |
| Week 4 | 2/4/2020 | Module 1: US GAAP vs. IFRS | Intangible Assets: US GAAP vs. IFRS | Pre-Class Reading: Pg 102-127, Pg 135-136; In-class: Handout/E&Y material |
| | 2/6/2020 | | Intangible Assets: US GAAP vs. IFRS | |
| Week 5 | 2/11/2020 | Current Liabilities: US GAAP vs. IFRS | Pre-Class Reading: Pg 156-161, Pg 165-172, Pg 191-195; In-class: Handout/E&Y material | HW 1 Due |
| | 2/13/2020 | Long-term Liabilities: US GAAP vs. IFRS | | |
| Week 6 | 2/18/2020 | Shareholders Equity/Financial Statement: US GAAP vs. IFRS | Pre-Class Reading: Pg 156-161, Pg 165-172, Pg 191-195; In class: Handout/E&Y material | HW 2 Due |
| | 2/20/2020 | Miscellaneous Items/Review for Exam 1 | | |
| Week 7 | 2/25/2020 | Exam 1 (125 points) | | |
| | 2/27/2020 | World Wide Accounting Diversity | Pre-Class Reading: Pg 22-51 | |
| Week 8 | 3/3/2020 | Module 2: World Wide Accounting | World Wide Accounting Diversity/Comparative Accounting | Class Discussion: Nobes 1983, Douppnik 1993 Pre-Class Reading: Pg 61-93, additional materials will be assigned before the class. |
| | 3/5/2020 | | Accounting Harmonization-Timeline | |

| | | | | |
|---------|------------------------------------|---|---|---|
| Week 9 | 3/10/2020 3/12/2020 | Spring Break-No Class Spring Break-No Class | | |
| Week 10 | 3/17/2020 3/19/2020 | International Convergence-Timeline International Convergence-Timeline/Review for Exam 2 | Pre-Class Reading: Pg 61-93; Class Discussion: Zeff 2012 | Summary for Trade War Due |
| Week 11 | 3/24/2020 3/26/2020 | Exam 2 (75 points) Foreign Currency: Concepts & Transactions | Pre-Class Reading: Pg 214-223 | |
| Week 12 | 3/31/2020 4/2/2020 | Foreign Currency: Risk Exposures & Hedging (Forward Contract Hedging) Foreign Currency: Risk Exposures & Hedging (Option Contract Hedging) | Pre-Class Reading: Pg 223-243 | |
| Week 13 | 4/7/2020 4/9/2020 | Foreign Currency: Risk Exposures & Hedging (Option Contract Hedging) Easter Break- No Class | | Graduate Student Presentation |
| Week 14 | 4/14/2020 4/16/2020 | Module 3: Multinational Corporations Foreign Currency: Financial Statement Translation Transfer Pricing | Pre-Class Reading: Pg 277-306; Handout Problem Pre-Class Reading: Pg 369-394 | HW 3 Due |
| Week 15 | 4/21/2020 4/23/2020 | Transfer Pricing Strategic Accounting Issues | | 20-F Project Part II (IFRS, Foreign Currency and Risk Hedging) Due |
| Week 16 | 4/28/2020 4/30/2020 5/6/2020 | Strategic Accounting Issues Wrap-up/Review for Final Exam Exam 3 (125 points) | | HW 4 Due |

HW will be assigned on D2L.

- 1 Please do not wait until we finish all the assets topic before you start working on HW 1.
Please do not wait until we finish all the liabilities and shareholder equities topic before you start working
- 2 on HW 2.
- 3 Please type your answers for HW in word document and submit all your HW to dropbox on D2L.