Course Description
An introduction to the major accounting issues faced by companies engaged in international business. This course covers international issues related to financial reporting, taxation, transfer pricing, management accounting, and auditing, as well as issues involved in the analysis of foreign company financial statements and international trends in corporate social reporting.

Textbook

Learning Objectives
The objectives of this course are to:
1. expose students to the diversity of accounting that exists internationally, and provide a context for understanding the important role that International Financial Reporting Standards (IFRS) play in the global economy.
2. provide students with a deeper understanding of IFRS, from institutional, conceptual, and technical perspectives.
3. enhance students’ technical knowledge of financial reporting, management control, and taxation issues specifically relevant for multinational companies.
4. provide students with a general exposure to the global dimensions of accounting.

These learning objectives correspond to the Accountancy Graduate Program’s learning goals related to Achieving a Broadened Perspective, Acquiring Specialized Technical Skills and Knowledge, and Understanding Global Dimensions within the accounting domain.

Performance Evaluation
Course grades are based upon your performance on graded (homework) assignments, examinations, and a course project, weighted as follows:
- Graded assignments (8 total; variable weights) 25%
- Exams (3 total; weighted 20% each) 60%
- Course project 15%

**Graded assignments:** Eight (8) end-of-chapter exercises and cases are assigned to be turned in as part of the course requirements grade. These graded assignments are highlighted in *bold italics* and designated as HW on the Assignment Schedule. Hard copy solutions to the graded assignments should be submitted on the due dates specified on the Assignment Schedule. Students who do not submit an assignment on the scheduled due date will be penalized ten (10) points for each calendar day beyond the due date that the assignment is turned in. Assignments more than five (5) calendar days late will receive zero points.

**Exams:** Three (3) exams will be administered in class. The content of these exams will reflect the topics covered in class and will primarily consist of multiple choice, essay questions, and problems.
Course project: The course project involves restating a set of U.S. GAAP financial statements to IFRS. You will be provided a separate document containing data and instructions for completion of this project. The due date for submitting a hard copy of your solution is Tuesday, December 8, 2015, by 5:00 p.m. Students who do not submit the project on the scheduled due date will be penalized ten (10) points for each calendar day beyond the due date that the assignment is turned in. Assignments more than five (5) calendar days late will receive zero points.

Grading scale: Each graded item will be scored on a 100-point basis and then weighted accordingly in determining your weighted course score. Course grades will be determined using the following scale:

<table>
<thead>
<tr>
<th>Score</th>
<th>Grade</th>
<th>Score</th>
<th>Grade</th>
<th>Score</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>92 and above</td>
<td>A</td>
<td>77-79.9</td>
<td>C+</td>
<td>60-61.9</td>
<td>D-</td>
</tr>
<tr>
<td>90-91.9</td>
<td>A-</td>
<td>72-76.9</td>
<td>C</td>
<td>Below 60</td>
<td>F</td>
</tr>
<tr>
<td>87-89.9</td>
<td>B+</td>
<td>70-71.9</td>
<td>C-</td>
<td></td>
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<tr>
<td>82-86.9</td>
<td>B</td>
<td>67-69.9</td>
<td>D+</td>
<td></td>
<td></td>
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<tr>
<td>80-81.9</td>
<td>B-</td>
<td>62-66.9</td>
<td>D</td>
<td></td>
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</table>

Additional Policies for Exams:
- There will be no makeup exams. I will allow you to take an exam in advance ONLY IF you are unable to take the exam when scheduled due to participation in an athletic event or other extracurricular activity in which you are an official representative of the College. Appropriate documentation is required to support such a claim. Exam dates are shown on the Assignment Schedule. Please inform me as soon as possible if you know you will be participating in an official College activity on one of these dates.
- Otherwise, if you miss an exam due to an excused absence, the average grade on your other examinations will be considered your grade for the missed exam. An excused absence is an absence due to illness requiring emergency medical attention for the student or a death in a student’s immediate family. Appropriate documentation is required to support such a claim.
- If you miss an exam due to an unexcused absence, a grade of zero (“0”) will be assigned for that exam.

Cell Phones and Laptops
Please turn off your cell phone when you enter the classroom. While the use of laptops during class is permitted, please refrain from web surfing, emailing, and other laptop activities that are not intended to be part of the course.

Students with Disabilities
The College will make reasonable accommodations for students with documented disabilities. Students should apply at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsibility for notifying me as soon as possible.

College of Charleston Honor Code and Academic Integrity
Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved. Incidents where the instructor determines the student’s actions are related to a misunderstanding will be handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may
petition for the X to be expunged. The student may also be placed on disciplinary probation, suspended (temporary removal), or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration—working together without permission—is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honorsystem/studenthandbook/index.php
# ACCT 560 ST: International Accounting - Fall 2015

## Assignment Schedule

(Instructor reserves the right to make changes)

<table>
<thead>
<tr>
<th>Week</th>
<th>Monday</th>
<th>Wednesday</th>
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</thead>
</table>
| 1    |        | **August 26**  
Read Chapter 1 *Introduction to International Accounting* |
| 2    | **August 31**  
Exercises 3, 4, 6  
Case 1-1 Besserbrau AG  
Case 1-2 Vanguard International Growth Fund (Parts 1, 2, 3) | **September 2**  
Read Chapter 2 *Worldwide Accounting Diversity*  
**HW 1: Exercise 2-2 (Nucor and Salzgitter) (turn in)**  
Exercises 6, 8 |
| 3    | **September 7**  
Chapter 2  
**HW 2: Exercise 2-7 (turn in)**  
Case 2-1 The Impact of Culture on Conservatism  
Case 2-2 SKD Limited | **September 9**  
Read Chapter 3 *Int’l Convergence of Financial Reporting (focus on pages 72-76, 82-105)*  
Questions 10-15 |
| 4    | **September 14**  
Chapter 3  
Exercise 3-13  
Exercise 3-15 | **September 16**  
Read Chapter 4 *International Financial Reporting Standards I*  
Exercises 4-1, 4-15, 4-16 |
| 5    | **September 21**  
Chapter 4  
Exercises 4-18, 4-20, 4-26, 4-35 | **September 23**  
Catch-up and review for exam  
**HW 3: Exercise 4-29 (turn in)** |
| 6    | **September 28**  
**First Exam Covers Chapters 1, 2, 3, 4** | **September 30**  
Read Chapter 5 *International Financial Reporting Standards II*  
Exercises 5-11, 5-13, 5-14, 5-15 |
| 7    | **October 5**  
Chapter 5  
Exercises 5-16, 5-17, 5-18, 5-20 | **October 7**  
Chapter 5  
**HW 4: Exercise 5-19 (turn in)** |
| 8    | **October 12**  
Read Chapter 9 *Additional Financial Reporting Issues*  
Questions 1-6 | **October 14**  
Chapter 9  
Exercises 9-1, 9-2, 9-3 |
| 9    | **October 19**  
**NO CLASS - FALL BREAK** | **October 21**  
Read Chapter 10 *Analysis of Foreign Financial Statements*  
Questions 10, 14, 16 |
<table>
<thead>
<tr>
<th>Week</th>
<th>Dates</th>
<th>Assignments</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>October 26&lt;br&gt;Chapter 10&lt;br&gt;Exercises 3, 4, 7, 8 Exercise 11&lt;br&gt;&lt;em&gt;HW 5: Exercise 10-4 (turn in)&lt;/em&gt;</td>
<td>October 28&lt;br&gt;Read Chapter 11 &lt;em&gt;International Taxation&lt;/em&gt;&lt;br&gt;Exercises 18, 19</td>
</tr>
<tr>
<td>11</td>
<td>November 2&lt;br&gt;Chapter 11&lt;br&gt;Exercises 20, 24, 25</td>
<td>November 4&lt;br&gt;Chapter 11&lt;br&gt;&lt;em&gt;HW 6: Case 11-1 U.S. International Corporation (turn in)&lt;/em&gt;</td>
</tr>
<tr>
<td>12</td>
<td>November 9&lt;br&gt;&lt;strong&gt;Second Exam Covers Chapters 5, 9, 10, 11&lt;/strong&gt;</td>
<td>November 11&lt;br&gt;Read Chapter 12 &lt;em&gt;International Transfer Pricing&lt;/em&gt;&lt;br&gt;Exercises 14, 16, 17, 20</td>
</tr>
<tr>
<td>13</td>
<td>November 16&lt;br&gt;Chapter 12&lt;br&gt;Case 12-1 Litchfield Corporation&lt;br&gt;&lt;em&gt;HW 7: Case 12-2 Global Electronics Company (turn in)&lt;/em&gt;</td>
<td>November 2&lt;br&gt;Read Chapter 13 &lt;em&gt;Strategic Issues for Multinational Corporations&lt;/em&gt;&lt;br&gt;Question 8, 12, 13</td>
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<tr>
<td>14</td>
<td>November 23&lt;br&gt;Chapter 13&lt;br&gt;Exercise 1&lt;br&gt;Case 13-1 Canyon Power Company</td>
<td>November 25&lt;br&gt;&lt;strong&gt;NO CLASS – THANKSGIVING HOLIDAY&lt;/strong&gt;</td>
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<tr>
<td>16</td>
<td>December 7&lt;br&gt;&lt;strong&gt;Third Exam Covers Chapters 12, 13, 14, 15&lt;/strong&gt;</td>
<td>December 8 (Tuesday)&lt;br&gt;Course Project due (by 5:00 p.m.)</td>
</tr>
</tbody>
</table>
SUMMARY OF GRADED ITEMS

<table>
<thead>
<tr>
<th>Item</th>
<th>Date</th>
<th>% Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>HW 1: Chapter 2, Exercise 2</td>
<td>September 2</td>
<td>2%</td>
</tr>
<tr>
<td>HW 2: Chapter 2, Exercise 7</td>
<td>September 7</td>
<td>3%</td>
</tr>
<tr>
<td>HW 3: Chapter 4, Exercise 29</td>
<td>September 23</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Exam 1.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HW 4: Chapter 5, Exercise 19</td>
<td>October 7</td>
<td>2%</td>
</tr>
<tr>
<td>HW 5: Chapter 10, Exercise 10-4</td>
<td>October 26</td>
<td>2%</td>
</tr>
<tr>
<td>HW 6: Chapter 11, Case 11-1 U.S. International Corporation</td>
<td>November 4</td>
<td>4%</td>
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<tr>
<td><strong>Exam 2.</strong></td>
<td></td>
<td></td>
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<tr>
<td>HW 7: Chapter 12, Case 12-2 Global Electronics Company</td>
<td>November 16</td>
<td>4%</td>
</tr>
<tr>
<td>HW 8: Chapter 13, Exercise 4</td>
<td>November 30</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Exam 3.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IFRS Project</strong></td>
<td>December 8, 5:00 p.m.</td>
<td>15%</td>
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</tbody>
</table>

* Each item will be graded on a 100-point scale. The point value will be multiplied by the percentage weight indicated above, and the resulting products (point values x percentage weights) for each graded item will be summed to determine the overall course score and grade.
OVERVIEW OF INTERNATIONAL ACCOUNTING TOPICS

EVOLUTION OF A MULTINATIONAL ENTERPRISE

Domestic Company – no international activities

International Transactions

• Export Sale - account for sale and foreign currency receivable
• Import Purchase - account for purchase and foreign currency payable

Hedging (F.X. Risk Management) - account for foreign currency forward contracts and options

Foreign Direct Investment

• before investment is made
  • Acquisition – foreign financial statement analysis
  • Greenfield – multinational capital budgeting

• after investment is made
  • Financial Reporting
    1. Consolidated Financial Statements
       a. GAAP conversion
       b. Foreign currency translation
    2. Geographic segment reporting

• Taxation
  1. Host country taxation
  2. Home country taxation of foreign operations

• International transfer pricing
• Evaluation of foreign operation performance
• International internal auditing

Global Capital Markets

• Companies – access foreign capital markets (e.g., cross-listing)
• International investor – analysis of foreign financial statements

Accounting Diversity

• Harmonization
• International Financial Reporting Standards