COURSE OBJECTIVES:
At the end of the course, the students would learn the basic concepts, applications and issues involved in international accounting, financial reporting, foreign currency transactions, international taxation and international transfer pricing.

MODULES:

1. INTRODUCTION
   - Provide evidence of the diversity that exists in accounting internationally.
   - Explain the problems caused by accounting diversity.
   - Describe the major environmental factors that influence accounting systems and lead to accounting diversity.
   - Describe a judgmental classification of countries by financial reporting systems.
   - Discuss the influence that culture is thought to have on financial reporting.
   - Describe a simplified model of the reasons for international differences in financial reporting.
   - Categorize accounting differences internationally and provide examples of each type of difference.

2. FINANCIAL REPORTING
   - Explain the meaning of convergence.
   - Identify the arguments for and against international convergence of financial reporting standards.
   - Describe major harmonization efforts under the IASC.
   - Explain the principles-based approach used by the IASB in setting accounting standards.
   - Describe the proposed changes to the IASB’s Framework.
   - Discuss the IASB’s Standards related to the first time adoption of International Financial Reporting Standards (IFRSs) and the presentation of financial statements.
   - Describe the support for, and the use of, IFRSs across countries.
   - Examine the issues related to international convergence of financial reporting standards.
   - Describe IASB/FASB convergence project.
   - Explain the meaning of “Anglo-Saxon” accounting.
• Discuss the types of differences that exist between International Financial Reporting Standards (IFRSs) and U.S. generally accepted accounting principles (GAAP).
• Describe the requirements of International Financial Reporting Standards (IFRSs) on the recognition and measurement of assets.
• Explain the differences between IFRSs and U.S. generally accepted accounting principles (GAAP) on recognition and measurement issues of assets.
• Describe the requirements of IFRS in a variety of disclosure and presentation standards.
• Explain the difference between IFRS and U.S. GAAP on certain disclosure and presentation issues.
• Analyze the impact that differences between IFRSs and U.S. GAAP can have on the financial statements.
• Describe and apply the requirements of International Financial Reporting Standards (IFRSs) related to the financial reporting of current liabilities, provisions etc and contrast these with those under U.S. GAAP.
• Explain the concepts underlying two methods of accounting for changing prices (inflation) - general purchasing power accounting and current cost accounting.
• Describe attempts to account for inflation in different countries, as well as the rules found in International Financial Reporting Standards.
• Discuss the various issues related to the accounting for business combinations and the preparation of consolidated financial statement (group accounting).
• Present the approaches used internationally to address the issues related to group accounting, focusing on IFRSs.
• Describe IFRS segment reporting requirements.

3. FOREIGN CURRENCY TRANSACTIONS

• Provide an overview of the foreign exchange market.
• Explain how fluctuations in exchange rates give rise to foreign exchange risk.
• Demonstrate the accounting for foreign currency transactions.
• Describe how foreign currency forward contracts and foreign currency options can be used to hedge foreign currency exchange risk.
• Describe the concepts of cash flow hedges, fair value hedges, and hedge accounting.
• Demonstrate the accounting for forward contracts and options used as cash flow hedges and fair value hedges to hedge foreign currency assets and liabilities, foreign currency firm commitments, and forecasted foreign currency transactions.
• Describe the conceptual issues involved in translating foreign currency financial statements.
• Explain balance sheet exposure and how it differs from transaction exposure.
• Describe the concepts underlying the current rate and temporal methods of translation.
• Apply the current rate and temporal methods of translation and compare the results of the two methods.
• Describe the requirements of applicable International Financial Reporting Standards (IFRSs) and U.S. generally accepted accounting principles (GAAP).
• Discuss hedges of balance sheet exposure.

4. ANALYSIS OF FOREIGN FINANCIAL STATEMENTS
• Describe some aspects of the environment in which accounting operates in five countries: China, Germany, Japan, Mexico and the United Kingdom.
• Explain the nature of the accounting profession in the selected countries.
• Discuss the mechanism in place for regulating accounting and financial reporting in the selected countries.
• Examine some of the accounting principles and practices used by companies in these countries.
• Identify the areas where national accounting practices in these countries differ from International Financial Reporting Standards (IFRSs).

5. INTERNATIONAL TAXATION & INTERNATIONAL TRANSFER PRICING
• Describe differences in corporate income tax and withholding tax regimes across countries.
• Explain how overlapping tax jurisdictions cause double taxation.
• How foreign tax credits reduce the incidence of double taxation.
• Demonstrate how rules related to controlled foreign corporations, subpart F income and foreign tax credit baskets affect U.S. taxation of foreign source income.
• Describe some of the benefits provided by tax treaties.
• Explain and demonstrate procedures for translating foreign currency amounts for tax purposes.
• Describe tax incentives provided by countries to attract foreign direct investments and stimulate exports.
• Describe the importance of transfer pricing in achieving goal congruence in decentralized organizations.
• Explain how the objective of performance evaluation and cost minimization can conflict in determining international transfer prices.
• Show how discretionary transfer pricing can be used to achieve specific cost minimization objectives.
• Describe governments’ reactions to the use of discretionary transfer pricing by multinational companies.
• Describe the transfer pricing methods used in sales of tangible property.
• Explain how advance pricing agreements can be used to create certainty in transfer pricing.
• Describe worldwide efforts to enforce transfer pricing regulations.
• Explain the role played by accounting in formulating multinational business strategy.
• Demonstrate an understanding of multinational capital budgeting.
• Describe the factors that influence strategy implementation within a multinational corporation.
• Discuss the role of accounting in implementing multinational business strategy.
• Identify issues involved in the design and implementation of an effective performance evaluation system within a multinational corporation

6. INTERNATIONAL AUDITING AND CORPORATE GOVERNANCE

• Define corporate governance and discuss the circumstances that caused it to receive worldwide attention in recent years.
• Explain the link between auditing and corporate governance in an international context.
• Explain international diversity in external auditing.
• Describe the steps taken toward international harmonization of auditing standards.
• Discuss the issues concerning auditors liability and auditor independence.
• Explain the role of audit committees.
• Discuss the ethical issues involved in external auditing at the international level.
• Examine internal auditing issues in an international context.
• Describe the provisions in the Sarbans-Oxley Act of 2002 in relation to auditing issues.

RECOMMENDED READINGS:
International Accounting by Timothy Doupnik and Hector Prera, By: McGraw-Hill Irwin publications

DELIVERABLES:
Students would have insight into the emerging accounting issues in international setting and will be encouraged to undertake higher studies

COURSE EVALUATION:

• Pre-course Assignment 30%
• Group Project 30%
• End Term Exam 40%