ACCT 3315.001 - Multinational Entities: Accounting and Consolidations

Syllabus Spring 2018

(121417)

2-3:15 pm, Room TBA

Instructor: Dr. Lawrence M. Smith, CPA

Contact: By email 24/7: Lawrence.Smith@tamucc.edu, Telephone: 361-825-3729

Office (OCNR 349) hours: M 1-4:30pm; TR 9:30-11:30am, TR 3:15-4:30pm. Please email for appointment, since University duties may prevent me from being in my office.

Website: https://goo.gl/MEe1X1

Course Description

A study of the similarities and differences between U.S. and other countries’ accounting and reporting procedures. Basic consolidation of international segments will be covered. Use of spreadsheets and web technology required. Prerequisites: ACCT 2302 and Junior standing or above.

Instructor Biographical Sketch: Dr. Lawrence M. Smith, CPA is a Professor of Accounting in the College of Business at Texas A&M University-Corpus Christi. His academic record includes numerous journal articles, research grants, books, academic conference presentations, and awards for teaching and research. His work has been cited in various news media, including National Public Radio, Fortune, USA Today, and The Wall Street Journal. His work is among the most downloaded, with over 54,000 article-downloads on Social Science Research Network (SSRN.com). His work is highly cited, with over 2,100 citations per Google Scholar. Among his awards are the Outstanding Educator Award from the Texas Society of CPAs and the Outstanding Researcher Award from the American Accounting Association Strategic and Emerging Technologies Section. You can read more about Dr. Smith at http://meettheprof.com/prof/murphy-smith/.

Learning Objectives

1. Explain the role of accounting in the global financial markets.
2. Describe the convergence/condorsement of U.S. GAAP and IFRS.
3. Evaluate how tax policies affect multinational corporations (e.g. tax treaties, tax havens, quotas, and tariffs).
5. Prepare financial statements that account for changing prices (inflation).
6. Discuss the role of corporate segment reporting and social reporting by multinational firms.
7. Evaluate aspects of emerging capital markets.
8. Describe managerial issues (e.g. job performance, technology, and ethics) associated with international operations.
9. Discuss how culture affects accounting and business activities.
Major Course Requirements

Four tests @ 100 points each, includes final exam 400
Quizzes, 6 @ 10 points each 60
Homework, In-Class Work, Participation 20
Article Report (2 @ 10 each) 20
Country Study PPT 50
Total points possible 550

Grading Scale: A - 90-100%, B - 80-89%, C - 70-79%, D - 60-69%, E - Below 60%.

After being graded, exams (except for the final) can be reviewed during class time only. So, ask questions and take notes at that time.

Required Readings

Textbooks:

Supplemental Reading: Excel assignments and journal articles (all available online or on Blackboard).
Website: Resources at https://goo.gl/8So2ym; Textbook at https://goo.gl/vN13gH.

Course Policies

Attendance: Students are expected to attend each class session. Late arrivals and early departures disturb the instructor and your classmates and will not be tolerated (except, of course, for emergencies). If you are unable to attend a class meeting, it is your responsibility to obtain lecture notes, problem solutions, announcement information, etc. from a classmate.

Make-up Exams and Late work: There are no makeup quizzes. Makeup exams will be given on a designated day near the end of the semester. Late work is accepted but with reduced point value.

Extra Credit: By preparing a term paper, you may earn up to 5 points of extra credit (bonus points). The topic of your paper must be approved in advance by your instructor. You must submit by email (msmith93@murraystate.edu) a proposed topic and outline of your paper by date shown on syllabus and submit your paper via Blackboard by the last class day. Your paper is checked for plagiarism, which if found, will result in a one-letter grade reduction for the course grade. So, be sure to cite your sources. You can earn the maximum grade of 5 if do the following: (1) Thoroughly research an international accounting-related topic; Possible topic areas include new information technology, internal control, business fraud, ethics, transfer pricing, and money laundering. (2) Prepare
the paper, which must include an introduction, major points, analysis, and conclusion. (3) The report must include 8 to 10 pages of double-spaced text in the body of the report, 2 to 3 exhibits, and a references page of at least 12 references (journal articles, books, and websites referred to in the paper). (4) The paper must be prepared in good form (The Accounting Review style). An example paper regarding ethics codes is available on SSRN at: http://ssrn.com/abstract=2551003.

**Cell Phone / Electronic Device Usage:** Cell phone use is not allowed during class. You may use a laptop if absolutely necessary, with instructor’s approval.

**Academic Integrity / Plagiarism:**
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in possible failure.

**Dropping a Class**
I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with your academic advisor, the Financial Aid Office, and me, before you decide to drop this course. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class.

**Statement of Civility**
Texas A&M University-Corpus Christi has a diverse student population that represents the population of the state. Our goal is to provide you with a high quality educational experience that is free from repression. You are responsible for following the rules of the University, city, state and federal government. We expect that you will behave in a manner that is dignified, respectful and courteous to all people, regardless of sex, ethnic/racial origin, religious background, sexual orientation or disability. Behaviors that infringe on the rights of another individual will not be tolerated.

**Grade Appeals**
As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details,
including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance in the grade appeal process, contact the Dean’s office in the college in which the course is taught or the Office of the Provost.

Disabilities Accommodations
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116.
If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

Statement of Academic Continuity
In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University–Corpus Christi; this course would continue through the use of Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.
# Acct 3315 - Syllabus (Subject to Change)

## CLASS ASSIGNMENT

<table>
<thead>
<tr>
<th>Date</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 18</td>
<td>Introduction.</td>
</tr>
<tr>
<td>Jan 23</td>
<td>IA Chap 1: Overview of International Accounting; Assign teams. Q1-4,7,10 (That’s 3 questions: Q4, Q7, and Q10).</td>
</tr>
<tr>
<td>Jan 25</td>
<td><strong>Ch. 1 Quiz. (DON’T FORGET TO BRING ANSWER FORMS).</strong> Cultural Issues. Before class, watch film: <em>Colonel Comes to Japan</em> (<a href="https://www.youtube.com/watch?v=uwwmKcFVji8">https://www.youtube.com/watch?v=uwwmKcFVji8</a>). Bring 1-page cultural essay to class. Overview of world health - <a href="https://www.youtube.com/watch?v=jbkSRLYSoho">https://www.youtube.com/watch?v=jbkSRLYSoho</a></td>
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<tr>
<td>Jan 30</td>
<td>Tax Matters (PPT available on BlackBoard). MS 67 (quota) and MS 69 (tariff).</td>
</tr>
<tr>
<td>Feb 1</td>
<td>Auditing the Global Firm. Prepare half-page summary and bring to class for all reading assignments (all online at <a href="http://ssrn.com/author=242236">http://ssrn.com/author=242236</a>): #1 Continuous Auditing: An Effective Tool for Internal Auditors - ___ #2 Going International: Accounting and Auditing Standards - ___ #3 Audit Committee Effectiveness: Did the Blue Ribbon Committee Recommendations Make a Difference? - ___</td>
</tr>
<tr>
<td><em>Feb 2</em></td>
<td><strong>Groundhog Day</strong></td>
</tr>
<tr>
<td>Feb 6</td>
<td><strong>Ch. 2 Quiz.</strong> Move to IFRS - Revenue Recognition, Fair Value, Earnings. Quality, Other Issues, Q2-3,5,15. Review for Exam 1.</td>
</tr>
<tr>
<td>Feb 8</td>
<td><strong>Exam 1: IA Chapters 1-2, BLIB Chapters 1-6. (DON’T FORGET TO BRING SCANTRON FORM 882).</strong></td>
</tr>
<tr>
<td>Feb 13</td>
<td>Go over Exam 1, Start Ch. 3. IA Chap 3: Foreign Currency Issues – FX Markets, Hedging, Derivatives, FX Transactions.</td>
</tr>
<tr>
<td>Feb 15</td>
<td><strong>Ch. 3 Quiz.</strong> FX Exercise 1 (on Blackboard or <a href="https://goo.gl/8So2ym">https://goo.gl/8So2ym</a>). Intro to Foreign Currency Issues: 1 vs. 2-transaction approach (see example on Blackboard or <a href="https://goo.gl/8So2ym">https://goo.gl/8So2ym</a>). Reading Assignment #4: Using Social Audits to Detect and Eliminate Human Trafficking in Corporate Supply Chains - ___ #5 The Advent of Accounting in Business Governance: From Ancient Scribes to Modern Practitioners - ___</td>
</tr>
<tr>
<td>Feb 20</td>
<td><strong>Ch. 4 Quiz.</strong> Reporting &amp; Disclosure Issues - Reporting Prices, Social Reporting, Q4-10,14. Reading Assignment #6 Are International Financial Reporting Standards (IFRS) an Unstoppable Juggernaut for US and Global Financial Reporting? - ___</td>
</tr>
<tr>
<td>Feb 22</td>
<td>Team work day. Take team pic and email summary of work done.</td>
</tr>
<tr>
<td>Feb 27</td>
<td>Team work day. Take team pic and email summary of work done.</td>
</tr>
<tr>
<td>Mar 6</td>
<td><strong>Exam 2: IA Chapters 3-4, BLIB Chapters 7-12.</strong></td>
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<tr>
<td>Date</td>
<td>Event</td>
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<tr>
<td>Mar 8</td>
<td>Go over Exam 2.</td>
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<tr>
<td></td>
<td><em>Ethics in Business and Society Presentation.</em></td>
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<tr>
<td><strong>Mar 12-16</strong></td>
<td><strong>SPRING BREAK!</strong></td>
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<tr>
<td><strong>Mar 20</strong></td>
<td>Start Chapter 5.</td>
</tr>
<tr>
<td></td>
<td>Reading Assignments #7 A Fresh Look at Accounting Ethics - ___</td>
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<tr>
<td></td>
<td>#8 A Multinational Analysis of Corruption and Economic Activity - ___</td>
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<tr>
<td>Mar 22</td>
<td>Team work day. Take team pic and email summary of work done.</td>
</tr>
<tr>
<td>Mar 27</td>
<td><strong>Ch. 5 Quiz.</strong> Using Financial Reports Across Borders; Financial Statement Analysis. Q5-1,2.</td>
</tr>
<tr>
<td>Mar 29</td>
<td>Team work day. Take team pic and email summary of work done. <strong>Country PPT and Report DUE TODAY.</strong></td>
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<tr>
<td><strong>Apr 3</strong></td>
<td>Ch. 6. Financial Reporting in Emerging Markets.</td>
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<tr>
<td></td>
<td>Reading Assignment #9 Impact of Internet Financial Reporting on Emerging Markets - ___</td>
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<tr>
<td><strong>Apr 5</strong></td>
<td>Teams present Country Reports.</td>
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<tr>
<td>*<strong>Apr 6</strong></td>
<td><strong>LAST DAY TO DROP A CLASS</strong></td>
</tr>
<tr>
<td>Apr 10</td>
<td>Teams present Country Reports.</td>
</tr>
<tr>
<td><strong>Apr 12</strong></td>
<td><strong>Ch. 7 Quiz.</strong> Managerial Issues.</td>
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<td></td>
<td>Reading assignment #10 International Transfer Pricing Issues and Strategies for the Global Firm - ___</td>
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<tr>
<td><strong>Apr 17</strong></td>
<td>Reading assignments #11 Understanding and Preventing Money Laundering - ___</td>
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<tr>
<td></td>
<td>#12 The Perpetration and Prevention of Cybercrimes - ___</td>
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<tr>
<td></td>
<td>Review for Exam 3.</td>
</tr>
<tr>
<td><strong>Apr 19</strong></td>
<td><strong>Exam 3: IA Chapters 5-7, BLIB Chapters 13-18.</strong></td>
</tr>
<tr>
<td><strong>Apr 24</strong></td>
<td>Go over Exam 3.</td>
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<tr>
<td></td>
<td>Reading assignments #13 A Multinational Analysis of Tax Rates and Economic Activity - ___</td>
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<tr>
<td></td>
<td>#14 Analysis of GMO Food Products Companies: Financial Risks and Opportunities in the Global Agriculture Industry - ___</td>
</tr>
<tr>
<td>26</td>
<td>REVIEW for final exam.</td>
</tr>
<tr>
<td>May 1</td>
<td><strong>TBA</strong></td>
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<tr>
<td>8</td>
<td>Comprehensive Final @ 1:45-4:15 pm.</td>
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</tbody>
</table>

**Note:**

**IA** = International Accounting: A User Perspective, 4e, 2013.

**BLIB** = Bottom Line is Betrayal, 7e, 2014.

**MS** = Microsoft Excel assignment.
**Team Article Report Assignment:**

Each student will work in a team to prepare a 7 to 10 minute class presentation on an article assigned from the assigned article readings (shown on syllabus) using Microsoft PowerPoint. Going less than 7 or longer than 10 minutes will result in a grade penalty. Practice before class. You must also submit a one-page summary of key points from the article and provide copies to all class members. The report and presentation must include the following information, at a minimum:

a. Main points of the article
b. How this affects international accounting (e.g. effect on financial reporting or auditing)
c. Recent developments related to the article

*Email Dr. Smith a copy of your PPT file and your one-page summary prior to class.*

**Team Country Report and PowerPoint Presentation Assignment:**

Each student will work in a team to prepare a 12 to 16 minute class presentation on a country (listed below) using Microsoft PowerPoint. Going less than 12 or longer than 16 minutes will result in a grade penalty. Practice before class. You must also submit a printed report. The report should include a title page (include your name, major, hometown, and career interests), abstract, 8 to 12 pages in the body, a reference page, and 2 or more exhibits. Use the format, including references style and headings style, of the example paper regarding ethics codes, available on SSRN at: http://ssrn.com/abstract=2551003. Failure to follow this format will result in points off.

You will be assigned a country on which to report, such as Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, Portugal, Republic of Korea, Singapore, Spain, Sweden, Switzerland, Turkey, United Kingdom, or other. You must also submit a one-page summary of key points about your country and provide copies to all class members.

The report and presentation must include the following information, at a minimum:

a. Brief history of the country and its cultural heritage.
b. Natural resources.
c. Form of government.
d. Major industries.
e. Exports and imports.
f. General relationship with the U.S.
g. Accounting and taxation issues, such as:
   (1) What is the country's primary source of GAAP (In the U.S., it's FASB).
   (2) The country's attitude/record on corporate financial disclosure. How would you compare it to the US attitude/record?
   (3) Based on an examination of annual reports of business firms or of accounting articles on the subject, what social, employment, or environmental disclosures does the country require?
   (4) What is the status of the auditing profession in the country, e.g. how are auditors trained and regulated?
Sources for your report and presentation can be obtained from books, journal articles, newspapers, library resources, and information obtained from on-line sources accessible via the Internet. Prior to submission of the report and PowerPoint file, an outline of the presentation must be submitted (date will be assigned). The report and PowerPoint presentation will be graded by Dr. Smith. Also, the class will view and evaluate the presentation. Both report and presentation will be evaluated for originality, creativity, presentation quality, technical accuracy, and educational merit. The presentation should stimulate interest in the subject matter through a more captivating format than a simple lecture.
Team Article Report Sign-up Form
(all articles are online at http://ssrn.com/author=242236)

1. __________ Continuous Auditing: An Effective Tool for Internal Auditors

2. __________ Going International: Accounting and Auditing Standards

3. __________ Audit Committee Effectiveness: Did the Blue Ribbon Committee Recommendations Make a Difference?

4. __________ Using Social Audits to Detect and Eliminate Human Trafficking in Corporate Supply Chains

5. __________ The Advent of Accounting in Business Governance: From Ancient Scribes to Modern Practitioners


7. __________ A Fresh Look at Accounting Ethics

8. __________ A Multinational Analysis of Corruption and Economic Activity

9. __________ Impact of Internet Financial Reporting on Emerging Markets

10. ________ International Transfer Pricing Issues and Strategies for the Global Firm

11. ________ Understanding and Preventing Money Laundering

12. ________ The Perpetration and Prevention of Cybercrimes

13. ________ A Multinational Analysis of Tax Rates and Economic Activity

14. ________ Analysis of GMO Food Products Companies: Financial Risks and Opportunities in the Global Agriculture Industry
Team Country Presentation PPT Report Sign-up Form*

__________ Austria
__________ China
__________ Denmark
__________ Egypt
__________ Finland
__________ Greece
__________ Hungary
__________ Ireland
__________ Italy
__________ Netherlands
__________ Japan
__________ Spain
__________ Switzerland

*NOTE: Presentations will be done in class in alphabetical order on dates shown but all reports/PPT files are due the same day, as indicated on the syllabus.
Seating Chart with Team Assignments:
Act 3315: Multinational Entities: Accounting and Consolidations, Spring 2018

*Get to Know Each Other (All Answers Optional)*

Please Print

Last Name ___________________________________________ First Name ___________________________________________

Classification:
☐ Freshman   ☐ Sophomore   ☐ Junior   ☐ Senior   ☐ Master

Major/Minor or Area ___________________________________________

Any prior classes with Dr. Smith? ___________________________________________

Where are you from? ___________________________________________

Why did you pick Texas A&M University-CC? ___________________________________________

Work experience (accounting or other) ___________________________________________

What do you want to do after graduation? ___________________________________________

Who’s someone you admire? Why? ___________________________________________

What’s a song or music group you like? ___________________________________________

What’s a book or movie you like? ___________________________________________

How do you define success? ___________________________________________

Anything else you’d like to tell me about yourself? ___________________________________________

I have read and I understand the contents of this Syllabus.

(Signature) ___________________________________________ (Date) ____________________________