# INTERNATIONAL FINANCIAL REPORTING STANDARDS

## SYLLABUS

| Instructor | Frederick Lindahl  
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| Office hours: by appointment or by chance |

| Class | ACCY 6112 / IBUS 6310  
| CRN64481 (ACCY) / 64482 (IBUS)  
| Tuesday, 3:30 – 6:00 PM (“Fall 2”)  
| 1.5 credits  
| Rome Hall, room 352 |

| Course description | The objective of the course is to familiarize you with the major features of IFRS, the predominant accounting system in the world. The approach to this subject is to show the contrast or similarity with US GAAP. For this reason, you should be familiar with US GAAP before this course. It is helpful, though not absolutely necessary, to have taken ACCY 6900, Intermediate Accounting I.  

The course material is based in large part on an internet course developed by Ernst & Young. The internet material is thoughtfully constructed, in part because E&Y had several faculty collaborators. I have modified this material slightly based on my experience in previous courses and on new material that has appeared.  

Because this is a seven-class course, it will be narrowly focused on IFRS standards—what they say and how they're applied. A broader approach to international accounting, which does not overlap this course, can be had with my courses in International Accounting (ACCY 6111 / IBUS 6309) and International Reporting and Control (ACCY 6110 / IBUS 6308). The three courses are meant to complement each other with no duplication. |

| Learning objectives | At the end of the course you will (a) understand the principal accounting practices under IFRS. There are hundreds of details, and you will not learn these small points. (b) You will understand where the main differences with US accounting standards arise. (c) Finally, you will have gained an appreciation of how financial analysis must take account of these differences. |

| Class Preparation | I will not take attendance, but I will present information in class that is not in the homework material, and you will be responsible for that information. We will discuss some of the assigned homework in class, so you should have made a good-faith effort to complete it. In this way you will benefit from the discussion and can contribute to it. |
We will have periods devoted to case discussion; you should prepare by analyzing the business situation, considering alternative courses of action, and making a recommendation. I will call on students to present and justify their analysis.

### Homework preparation

I will collect and grade some homework, and these assignments are listed on the homework assignment sheet. I encourage you to work these problems as completely as you can before coming to class. If you do not work the homework problems before class, you will have difficulties in this course.

### Case preparation

There are case discussions assigned. Each of them has a list of "discussion questions." These are to help you frame an analysis; they are not the whole analysis. In the end, you should decide on a course of action, and defend your decision with a careful analysis of alternatives.

### Required texts

I have not assigned a textbook for IFRS. I think the Ernst & Young slides will be your primary “text.”

The documents in the “references” tab of Blackboard can be used to supplement the slides. The other accounting firms (besides KPMG and E&Y) have summaries similar to what you see in the “references” tab.

A useful web site for the most current information is IAS PLUS ([http://www.iasplus.com/index.htm](http://www.iasplus.com/index.htm)),

There are a number of reference books. One that I use is *IFRS: Practical Implementation Guide and Workbook*, by Mirza et al., John Wiley & Sons.

### Grading

60% of the grade will be based on the final examination. This will cover every part of the course.

20% of the grade will be based on papers and homework to be handed in.

Note that these assignments should be completed in the format stated. If you are asked to prepare a business memorandum, then that doesn’t mean “in pencil on notebook paper.”

20% of the grade will be based on participation during class periods.

### Academic Integrity

On March 10, 1995, The George Washington University adopted a *Code of Academic Integrity*. This code strictly governs your conduct and mine in this course.

For my part, I have the obligation to provide a clear explanation of permissible conduct in preparing assignments.

- The quizzes and final examination are individual projects. The specific directions will accompany the exams, but in no case will sharing of calculators or any other form of cooperation be permitted.
- You are free to cooperate on the cases and homework problems before class; in fact, I encourage it. Do not simply copy each other’s homework solutions, however.

For your part, be familiar with the Code. If you have any question about its applicability to any part of this course, please let’s discuss it.

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HOMEWORK

Class 1: (27 Oct) Introduction to IFRS and financial statements
Homework:
Please read
• “introduction” tab in Bb
  o There are “homework” and a “homework solutions” files in this folder, which you may, if you wish, review.
• KPMG: *IFRS Compared to U.S. GAAP*, pages 8-39 (to be found in the “Reference” tab in Bb).
• Ernst & Young: *IFRS versus U.S. GAAP*, pages 1-2 (to be found in the “Reference” tab in Bb).

Case: Polluter Corp.
To solve this case,
• There is reference material in the “reference” tab in Bb.
• The ASC link is available in the “announcement” tab.
Please turn in a brief memo answering the three questions.

Class 2: (3 Nov) Plant, property and equipment
Homework: Answer and turn in questions in “homework problems: financial statements,” posted on Blackboard.

Case: Batson International, S.A.
Please turn in a brief memo answering the first question.

Class 3: (10 Nov) Inventory
Homework: Answer and turn in questions in plant, property and equipment, except for questions 13 and 14.

Case: “International Financial Reporting: Inventory Costing at Exxon and BP.”
I think this can be determined from the case, but I believe that the “costs” that correspond with the crude oil inventories are the costs of “crude oil and products” in exhibit 1.

Answer all the questions, but turn in answers to questions 9, 10 and 11. Please do question 10 using an Excel spreadsheet.

Class 4: (17 Nov) Intangibles
Homework: Answer and turn in homework problems about “homework problems: inventory”

Class 5: (24 Nov) Current liabilities and contingencies

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Homework: Answer and turn in homework problems about intangibles (class 4), except for questions 8.h, the journal entries in question 12, and all of 13.

Case: Enforcing Financial Reporting Standards: The Case of White Pharmaceuticals AG. Answer all the questions, but turn in answers to these questions:
- A 1 (3)
- A 2 (1)
- A 2 (4)
- C 2 (2)

Class 6: (1 Dec) Long-term liabilities
Homework: Answer and turn in homework problems about current liabilities and contingencies (class 5), except for questions 8.h, the journal entries in question 12, and all of 13.

Case: Pharma Co. (“Targeted for Termination”) Please see the “announcements” section of Bb for the written assignment.

Class 7: (10 Dec) Liability and equity hybrids
Note that this not the normal meeting day. Furthermore the place of the class will probably change.

Homework: Answer and turn in homework problems about long term liabilities. (Problem 2 refers to a current ratio of “1-to-2.” Please answer the question on that basis that the current ratio requirement is 1.2.)

Case: Jillian, Ltd (Ernst & Young): This will be discussed in class; no written assignment.

Final exam (15 Dec) Place to be announced