

Syllabus

Course Overview

This course is designed to cover the topics in the international accounting area, specifically, International Accounting Standards Board (IASB) pronouncements, with particular focus on International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Standard Interpretation Committee (SIC) interpretations. You will discuss these topics and take multiple-choice quizzes every week. Since each unit will have its own quizzes, there will be no final quiz.

Course Competencies

(Read Only)

To successfully complete this course, you will be expected to:

- 1 Distinguish the differences between International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP).
- 2 Identify the composition of the International Accounting Standards Board (IASB) and the process for establishing the standards.
- 3 Identify the issues involved with reporting financial statements of global companies.
- 4 Explain the differences between international and domestic auditing.
- 5 Communicate professionally according to the expectations of the field of accounting.

Course Prerequisites

Prerequisite(s): BUS4062

Syllabus >> Course Materials

Required

The materials listed below are required to complete the learning activities in this course.

Integrated Materials

Many of your required books are available via the VitalSource Bookshelf link in the courseroom, located in your Course Tools. Registered learners in a Resource Kit program can access these materials using the courseroom link on the Friday before the course start date. Some materials are available

only in hard-copy format or by using an access code. For these materials, you will receive an email with further instructions for access. Visit the [Course Materials](#) page on Campus for more information.

Book

Doupnik, T., & Perera, H. (2015). *International accounting* (4th ed.). New York, NY: McGraw-Hill/Irwin. ISBN: 9780077862206.

External Resource

Please note that URLs change frequently. While the URLs were current when this course was designed, some may no longer be valid. If you cannot access a specific link, contact your instructor for an alternative URL. Permissions for the following links have been either granted or deemed appropriate for educational use at the time of course publication.

- Coca-Cola Amatil. (2010). [Sustainability @CCA: Corporate responsibility report 2010](http://ccamatil.com/Sustainability/Documents/Sustainability%20Reports/2010%20Sustainability%20Report.pdf). Retrieved from <http://ccamatil.com/Sustainability/Documents/Sustainability%20Reports/2010%20Sustainability%20Report.pdf>
- [International Federation of Accountants](http://www.ifac.org/). (n.d.). Retrieved from <http://www.ifac.org/>
- NYSE. (n.d.). [International listing: Documents and reports](https://www.nyse.com/get-started/international/documents-reports). Retrieved from <https://www.nyse.com/get-started/international/documents-reports>

Suggested

The following materials are recommended to provide you with a better understanding of the topics in this course. These materials are not required to complete the course, but they are aligned to course activities and assessments and are highly recommended for your use.

Optional

The following optional materials are offered to provide you with a better understanding of the topics in this course. These materials are not required to complete the course.

Unit 1 >> Introduction to International Accounting and the Convergence of Financial Reporting Standards

Introduction

Most of you are familiar with financial accounting and managerial accounting. However, until now, many of you have not been exposed to international accounting. Diversity in laws, customs, and culture all serve to shape a different accounting landscape across the globe. While the ability of companies to operate globally creates many opportunities, the presence of diverse accounting rules and practices creates complex obstacles. Therefore, a movement has emerged toward developing a common set of global accounting practices, which is referred to as *convergence*. The convergence movement strives to simplify global accounting practices through standardization. Proponents of this movement contend that convergence will reduce the cost of doing business through efficiencies in the accounting process, while opponents contend that the cost of conversion will be substantial.

Learning Activities

u01s1 - Studies

Readings

Use your *International Accounting* text to complete the following:

- Read Chapter 1, "Introduction to International Accounting," pages 1–19.
- Read Chapter 2, "Worldwide Accounting Diversity," pages 23–57.
- Read Chapter 3, "International Convergence of Financial Reporting," pages 65–110.

Use the Internet to review "[International Listing: Documents and Reports](https://www.nyse.com/get-started/international/documents-reports)" from NYSE.

u01a1 - Complexity and Diversity of International Accounting

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 3: Identify the issues involved with reporting financial statements of global companies.
- Competency 2: Identify the composition of the International Accounting Standards Board (IASB) and the process for establishing the standards.
- Competency 5: Communicate professionally according to the expectations of the field of accounting.

Assignment Instructions

This assignment will provide you an appreciation for some of the complexity and diversity of situations and issues related to international accounting. Respond to the following questions from your *International Accounting* text. Your paper should be no fewer than 400 words and no longer than 800 words and be compliant with all APA composition and referencing requirements.

Chapter 1 Question

The following question appears on page 18 of your text:

The New York Stock Exchange (NYSE) provides a list of non-U.S. companies listed on the exchange on its web. Review "International Listing: Documents and Reports" given in the Resources.

- Determine the number of foreign companies listed on the NYSE and the number of countries they represent.
- Determine the five countries with the largest number of foreign companies listed on the NYSE.
- Speculate why non-U.S. companies might want their shares listed on the NYSE.

Chapter 3 Question

The following question appears on page 115 of your text:

The objective of convergence between International Financial Reporting Standards (IFRS) and U.S. Generally Accepting Accounting Principles (GAAP) is no longer a priority for the IASB. Discuss the possible reasons for, and the consequences of, the IASB's above decision.

Other Requirements

Your paper should meet the following requirements:

- Written communication: Written communication is free of errors that detract from the overall message.
- APA formatting: Resources and citations are formatted according to current APA style and formatting.
- Length of paper: 400–800 typed, double-spaced pages.
- Font and font size: Times New Roman, 12 point.

Refer to the Complexity and Diversity of International Accounting Scoring Guide to ensure you meet the grading criteria for this assignment.

Course Resources

[APA Style and Format](#)

[International Listing: Documents and Reports](#)

u01a2 - International Regulation and Governance

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 2: Identify the composition of the International Accounting Standards Board (IASB) and the process for establishing the standards.
- Competency 5: Communicate professionally according to the expectations of the field of accounting.

Assignment Instructions

The IASB and the development of IFRS have evolved; 2005 marked a significant milestone in this evolution. For the first time, companies traded in the European Union (EU) were required to prepare their consolidated financial statements under the IFRS.

Respond to the following questions from your course text. Your paper should be no fewer than 300 words and no longer than 500 words and be compliant with all APA composition and referencing requirements.

Chapter 3 Question

The following question appears on page 113 of your text:

Since 2005, publicly traded companies in the EU have been required to use IFRS in preparing their consolidated financial statements.

- Explain the EU's objective in requiring the use of IFRS.
- Describe issues that might hamper the EU from achieving the objective underlying the use of IFRS.

Submission Requirements

Your paper should meet the following requirements:

- Written communication: Written communication is free of errors that detract from the overall message.
- APA formatting: Resources and citations are formatted according to current APA style and formatting.
- Length of paper: 300–500 typed, double-spaced pages.
- Font and font size: Times New Roman, 12 point.

Refer to the International Regulation and Governance Scoring Guide to ensure you meet the grading criteria for this assignment.

Course Resources

[APA Style and Format](#)

u01d1 - Besserbrau AG

This discussion is based on Case 1-1 on page 19 of your *International Accounting* text.

Chapter 1: Case 1-1

Besserbrau AG is a German beer producer headquartered in Ergersheim, Bavaria. The company, which was founded in 1842 by brothers Hans and Franz Besser, is publicly traded, with shares listed on the Frankfurt Stock Exchange. Manufacturing in strict accordance with the almost 500-year-old German Beer Purity Law, Besserbrau uses only four ingredients in making its products: malt, hops, yeast, and water. While the other ingredients are obtained locally, Besserbrau imports hops from a company located in the Czech Republic. Czech hops are considered to be among the world's finest. Historically, Besserbrau's products were marketed exclusively in Germany. To take advantage of a potentially enormous market for its products and expand sales, Besserbrau began making sales in the People's Republic of China three years ago. The company established a wholly owned subsidiary in China (BB Pijio) to handle the distribution of Besserbrau products in that country. In the most recent year, sales to BB Pijio accounted for 20 percent of Besserbrau's sales, and BB Pijio's sales to customers in China accounted for 10 percent of the Besserbrau Group's total profits. In fact, sales of Besserbrau products in China have expanded so rapidly and the potential for continued sales growth is so great that the company recently broke ground on the construction of a brewery in Shanghai, China. To finance construction of the new facility, Besserbrau negotiated a listing of its shares on the London Stock Exchange to facilitate an initial public offering of new shares of stock.

Discuss the various international accounting issues confronted by Besserbrau AG.

Refer to the Discussion Participation Scoring Guide to understand how your participation in the discussion will be graded.

Response Guidelines

Read the posts of your peers and respond to at least two. Compare your post to those of your peers and note any differences. Explain why you agree or disagree with their views and analyses. Your responses are expected to be substantive in nature and should reference the assigned readings or other professional literature, as applicable, to support your views.

Undergraduate Discussion Participation Scoring Guide

u01q1 - Unit 1 Quiz 1

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 1 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 1 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

u01q2 - Unit 1 Quiz 2

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 1 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 1 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

Unit 2 >> International Financial Reporting Standards

Introduction

Significant differences exist between the accounting frameworks that are founded under GAAP and those founded under IFRS. The differences exist along many lines such as definition differences, recognition differences, measurement differences, alternatives, lack of requirements or guidance, presentation differences, and disclosure differences. Furthermore, more flexibility exists in IFRS than in GAAP while less guidance exists in IFRS, and thus requires a greater application of judgment. It is contended that IFRS is more principles based, while GAAP is perceived to be more rules based. GAAP is uniformly applied and practiced within the United States. Conversely, IFRS, which is accepted largely outside of the United States, is applied and practiced differently based upon the vast cultural differences that exist across the rest of the globe. Accordingly, it is not sufficient to merely understand the differences between GAAP and IFRS, but also requires an understanding of the geographical application of IFRS.

Learning Activities

u02s1 - Studies

Readings



[GAAP Versus IFRS](#)

[Transcript](#)

Use your *International Accounting* text to complete the following:

- Read Chapter 4, "International Reporting Standards: Part I," pages 118–161.
- Read Chapter 5, "International Reporting Standards: Part II," pages 179–217.
- Read Chapter 6, "Comparative Accounting," pages 232–327.

Multimedia

Click **GAAP Versus IFRS** to view the presentation. This media will help you to become more familiar with the major differences between IFRS and U.S. GAAP.

u02a1 - Exploring Differences Between GAAP and IFRS

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 1: Distinguish the differences between International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP).
- Competency 5: Communicate professionally according to the expectations of the field of accounting.

Assignment Instructions

Respond to the following questions from your course text. The problems should be solved on the basis of IFRS unless otherwise stated.

Chapter 4 Question

The following question appears on page 65 of your text:

As a result of a downturn in the economy, Optiplex Corporation has excess productive capacity. On January 1, Year 3, Optiplex signed a special order contract to manufacture custom-design generators for a new customer. The customer requests that the generators be ready for pickup by June 15, Year 3, and guarantees it will take possession of the generators by July 15, Year 3. Optiplex incurred the following direct costs related to the custom-design generators:

Direct Costs for Custom-Design Generators

Item	Cost
Cost to complete the design of the generators	\$3,000
Purchase price for materials and parts	\$80,000
Transportation cost to get materials and parts to manufacturing facility	\$2,000
Direct labor (10,000 labor hours at \$12 per hour)	\$120,000
Cost to store finished product (from June 15 to June 30)	\$2,000

Because of the company's inexperience in manufacturing generators of this design, the cost of materials and parts included an abnormal amount of waste totaling 5,000 dollars. In addition to direct costs, Optiplex applies variable and fixed overhead to inventory using predetermined rates. The variable overhead rate is 2 dollars per direct labor hour. The fixed overhead rate based on a normal level of production is 6 dollars per direct labor hour. Given the decreased level of production expected in Year 3, Optiplex estimates a fixed overhead application rate of 9 dollars per direct labor hour in Year 3.

Determine the amount at which the inventory of custom-design generators should be reported on Optiplex Corporation's June 30, Year 3, balance sheet.

Chapter 5 Question

The following question appears on page 223 of your text:

SC Masterpiece Inc. granted 1,000 stock options to certain sales employees on January 1, Year 1. The options vest at the end of 3 years (cliff vesting) but are conditional upon selling 20,000 cases of barbecue sauce over the 3-year service period. The grant-date fair value of each option is 30 dollars. No forfeitures are expected to occur. The company is expensing the cost of the options on a straight-line basis over the 3-year period at 10,000 dollars per year (1,000 options X \$30 divided by 3 = \$10,000). On January 1, Year 2, the company's management believes the original sales target of 20,000 units will not be met because only 5,000 cases were sold in Year 1. Management modifies the sales target for the options to vest to 15,000 units, which it believes is reasonably achievable. The fair value of each option at January 1, Year 2, is 28 dollars.

Determine the amount to be recognized as compensation expense in Year 1, Year 2, and Year 3 under (a) IFRS and (b) U.S. GAAP. Prepare the necessary journal entries.

Submission Requirements

Your paper should meet the following requirements:

- **Written communication:** Written communication is free of errors that detract from the overall message.
- **APA formatting:** Resources and citations are formatted according to current APA style and formatting.
- **Font and font size:** Times New Roman, 12 point.

Refer to the Exploring Differences Between GAAP and IFRS Scoring Guide to ensure that you meet the grading criteria for this assignment.

Course Resources

[APA Style and Format](#)

u02d1 - Environmental Influences on Financial Reporting

This discussion is based on question 2 on page 327 of your *International Accounting* text.

Chapter 6 Question

Discuss how economic reforms have affected the demand for accounting services in China.

Response Guidelines

Read the posts of your peers and respond to at least two. Compare your post to those of your peers and note any differences. Explain why you agree or disagree with their views and analyses. Your responses are expected to be substantive in nature and should reference the assigned readings or other professional literature, as applicable, to support your views.

Course Resources

Undergraduate Discussion Participation Scoring Guide

u02q1 - Unit 2 Quiz 1

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 2 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 2 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

u02q2 - Unit 2 Quiz 2

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 2 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 2 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

Unit 3 >> Foreign Currency: Strategy, Risk, and Reporting

Introduction

Conducting business internationally results in having foreign currency transactions. Foreign currencies fluctuate like any other commodity. Multinational firms often mitigate fluctuation risk by employing various strategies involving futures and options, which from an accounting standpoint introduces a whole set of valuation, presentation, and disclosure requirements. Furthermore, multinational foreign subsidiaries' financial statements require translation into the parent companies' currency. In addition, there are issues related to accounting for business combinations and the preparation of consolidated financial statements.

Learning Activities

u03s1 - Studies

Readings

Use your *International Accounting* text to complete the following:

- Read Chapter 7, "Foreign Currency Transactions and Hedging Foreign Exchange Risk," pages 339–392.
- Read Chapter 8, "Translation of Foreign Currency Financial Statements," pages 403–435.
- Read Chapter 9, "Additional Financial Reporting Issues," pages 448–483.

u03a1 - Foreign Currency and Translation

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 1: Distinguish the differences between International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Principles (GAAP).
- Competency 3: Identify the issues involved with reporting financial statements of global companies.
- Competency 5: Communicate professionally according to the expectations of the field of accounting.

Assignment Instructions

Conducting business internationally results in having foreign currency transactions. Foreign currencies fluctuate like any other commodity. Foreign currency transactions necessitate translating these transactions and the associated financial statement balances into the reporting currency.

Respond to the following questions from your text. The problems should be solved on the basis of IFRS unless otherwise stated.

Chapter 7 Question

The following question appears on page 396 of your text:

Garden Grove Corporation made a sale to a foreign customer on September 15, Year 1, for 100,000 foreign currency units (FCU). Payment was received on October 15, Year 1. The following exchange rates apply:

Garden Grove Corporation International Sales Exchange Rates

Date	U.S. Dollar per FCU
September 15, Year 1	0.40
September 30, Year 1	0.42
October 15, Year 1	0.37

Prepare all journal entries for Garden Grove Corporation in connection with this sale to reflect the impact of foreign currency translation rates, assuming that the company closes its books on September 30 to prepare interim financial statements.

Chapter 8 Question

The following question appears on page 439 of your text:

Sigma Company's Turkish subsidiary reported the following amounts in Turkish lira (TL) on its December 31, Year 4, balance sheet:

Sigma Turkish Subsidiary Balance Sheet

Item	Cost
Equipment	TL 100,000,000,000
Accumulated depreciation (straight-line)	TL 32,000,000,000

Additional information related to the equipment is as follows:

Additional Information About the Equipment

Date	Amount Purchased	Useful Life	US\$/TL Exchange Rate
1/1/Y1	TL 60,000,000,000	10 years	\$0.0000070 = TL 1
1/1/Y3	TL 40,000,000,000	10 years	\$0.0000020 = TL 1

U.S. dollar exchange rates for the Turkish lira for Year 4 are as follows:

U.S. Dollar Exchange Rates for Turkish Lira for Year 4

Date	Exchange Rate
January 1, Year 4	\$0.000010
December 31, Year 4	\$0.000006

- Assume that Turkey is a highly inflationary economy. Determine the amounts at which the Turkish subsidiary's equipment and accumulated depreciation should be reported on Simga Company's December 31, Year 4, consolidated balance sheet in accordance with U.S. GAAP. Determine the net book value for equipment.
- Assume that Turkey is not a highly inflationary economy and that the Turkish subsidiary primarily uses Turkish lira in conducting its operations. Determine the amounts at which the Turkish subsidiary's equipment and accumulated depreciation should be reported on Simga Company's December 31, Year 4, consolidated balance sheet in accordance with U.S. GAAP. Determine the net book value for equipment.

Submission Requirements

Your paper should meet the following requirements:

- **Written communication:** Written communication is free of errors that detract from the overall message.
- **APA formatting:** Resources and citations are formatted according to current APA style and formatting.
- **Font and font size:** Times New Roman, 12 point.

Refer to the Foreign Currency and Translation Scoring Guide to ensure you meet the grading criteria for this assignment.

Course Resources

[APA Style and Format](#)

u03d1 - The Concept of Control in Consolidations

This discussion is based on a question on page 483 of your *International Accounting* text.

Chapter 9 Question

Discuss why the legal concept of control may not be appropriate in some countries, such as Japan.

Response Guidelines

Read the posts of your peers and respond to at least two. Compare your post to those of your peers and note any differences. Explain why you agree or disagree with their views and analyses. Your responses are expected to be substantive in nature and should reference the assigned readings or other professional literature, as applicable, to support your views.

Course Resources

[Undergraduate Discussion Participation Scoring Guide](#)

u03q1 - Unit 3 Quiz 1

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 3 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.

- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 3 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

u03q2 - Unit 3 Quiz 2

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 3 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 3 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

Unit 4 >> Taxation, Transfer Pricing, and Financial Analysis

Introduction

Taxes paid to governments are one of the most significant costs incurred by business enterprises. Multinational enterprises strive to minimize this cost through decisions in which taxation is an important variable. For example, where to locate a foreign operation, including which country has jurisdiction and what business form to use, are key determinations.

Multinational firms use transfer pricing to accomplish a number of goals such as performance evaluation and cost minimization. Costs may be a minimized in a number of ways such as minimizing import duties, circumventing profit repatriation restrictions, protecting cash flows from currency deviations, and many others.

Financial analysis of foreign companies touches upon all of the issues we have discussed so far, including currency, terminology, format, disclosure, language, differences in accounting principles, and many more. In many cases, it is advantageous to restate the financial statements into a common, more easily understandable format.

Learning Activities

u04s1 - Studies

Readings

Use your *International Accounting* text to complete the following:

- Read Chapter 10, "Analysis of Foreign Financial Statement," pages 492–523.
- Read Chapter 11, "International Taxation," pages 541–573.
- Read Chapter 12, "International Transfer Pricing," pages 586–612.

u04a1 - Foreign Taxes and Transfer Pricing

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 3: Identify the issues involved with reporting financial statements of global companies.
- Competency 5: Communicate professionally according to the expectations of the field of accounting

Assignment Instructions

Taxes paid to governments are one of the most significant costs incurred by business enterprises. Multinational enterprises strive to minimize this cost through decisions in which taxation is an important variable. Multinational firms use transfer pricing to accomplish a number of goals such as performance evaluation and cost minimization.

Respond to the following questions from your course text.

Your paper should be no fewer than 300 words and no longer than 500 words and be compliant with all APA composition and referencing requirements. The problems should be solved on the basis of IFRS unless otherwise stated.

Chapter 11 Question

The following question appears on page 583 of your text:

Brown Corporation has an affiliate in France (Brun SA) that sells products manufactured at Brown's factory in Columbia, South Carolina. In the current year, Brun SA earned 10 million euros before tax. Assume that the effective tax rate Brun SA pays in France is 30 percent. French taxes were paid at the end of the year. Cash distributions to Brown Corporation were made on July 1 and December 31 in the amount of 1 million euros each. Relevant exchange rates for the current year are as follows:

Relevant Exchange Rates for the Current Year

Date	Rate
January 1	€1 = \$1.025
July 1	€1 = \$0.900
Average	€1 = \$0.925
December 31	€1 = \$0.980

- Assuming that Brun SA is organized as a branch, determine the amount of branch profits in U.S. dollars that Brown Corporation must include in its U.S. taxable income and the available tax credit.
- Assuming that Brun SA is organized as a subsidiary, determine the amount of foreign source income in U.S. dollars that Brown Corporation must include in its U.S. taxable income and the available tax credit.

Chapter 12 Question

The following question appears on page 615 of your text:

Superior Brakes Corporation manufactures truck brakes at its plant in Mansfield, Ohio, at a cost of 10 dollars per unit. Superior sells its brakes directly to U.S. truck makers at a price of 15 dollars per unit. It also sells its brakes to a wholly owned sales subsidiary in Brazil that, in turn, sells the brakes to Brazilian truck makers at a price of 16 dollars per unit. Transportation cost from Ohio to Brazil is 0.20 dollar per unit. Superior's sole competitor in Brazil is Bomfreio SA, which manufactures truck brakes at a cost of 12 dollars per unit and sells them directly to truck makers at a price of 16 dollars per unit. There are no substantive differences between the brakes manufactured by Superior and Bomfreio.

Given the information provided, discuss the issues related to using (a) the comparable uncontrolled price method, (b) the resale price method, and (c) the cost-plus method to determine an acceptable transfer price for the sale of truck brakes from Superior Brakes Corporation to its Brazilian subsidiary.

Submission Requirements

Your paper should meet the following requirements:

- **Written communication:** Written communication is free of errors that detract from the overall message.
- **APA formatting:** Resources and citations are formatted according to current APA style and formatting.
- **Length of paper:** 300–500 typed, double-spaced pages.
- **Font and font size:** Times New Roman, 12 point.

Refer to the Foreign Taxes and Transfer Pricing Scoring Guide to ensure that you meet the grading criteria for this assignment.

Course Resources

APA Style and Format

u04d1 - Taxation, Transfer Pricing, and Financial Analysis

This discussion is based on a question on page 523 of your *International Accounting* text.

Chapter 10 Question

Discuss the advantages and disadvantages of using measures such as operating income before depreciation (OIBD) or earnings before interest, taxes, depreciation, and amortization (EBITDA) rather than net income in comparing profitability across foreign companies.

Response Guidelines

Read the posts of your peers and respond to at least two. Compare your post to those of your peers and note any differences. Explain why you agree or disagree with their views and analyses. Your responses are expected to be substantive in nature and should reference the assigned readings or other professional literature, as applicable, to support your views.

Course Resources

Undergraduate Discussion Participation Scoring Guide

u04q1 - Unit 4 Quiz 1

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 4 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 4 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

u04q2 - Unit 4 Quiz 2

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 4 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.

- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 4 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

Unit 5 >> International Auditing and Corporate Governance

Introduction

The harmonization of international auditing standards has received far less attention than the harmonization of financial reporting standards. However, recent debates regarding the lack of investor confidence have brought international auditing issues to the forefront. Corporate governance is the interaction and relationship between management, the board, and other stakeholders. This achieves the goal of monitoring performance of the organization to best serve the interests of the shareholders.

Learning Activities

u05s1 - Studies

Readings

Use your *International Accounting* text to complete the following:

- Read Chapter 14, "Comparative International Auditing and Corporate Governance," pages 674–725.
- Read Chapter 15, "International Corporate Social Reporting," pages 739–766.

Use the Internet to complete the following:

- Browse the [International Federation of Accountants](#) website.
- Read "[Sustainability @CCA: Corporate Responsibility Report 2010](#)" from Coca-Cola Amatil.

u05a1 - International Auditing

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies:

- Competency 4: Explain the differences between international and domestic auditing.
- Competency 5: Communicate professionally according to the expectations of the field of accounting

Assignment Instructions

Harmonization of the international auditing standards has moved at a slower pace than the harmonization of financial reporting standards. The International Auditing and Assurance Standards Board (IAASB) issues International Standards on Auditing (ISA), which govern the practice of auditing and financial statement attestation internationally.

Respond to the following question from your course text. Your paper should be no fewer than 300 words and no longer than 500 words and be compliant with all APA composition and referencing requirements.

Chapter 14 Question

The following question appears on page 723 of your text:

ISA 700 describes three types of audit opinions that can be expressed by the auditor when an unqualified opinion is not appropriate: qualified, adverse, and disclaimer of opinion.

What are the circumstances under which each of the above three opinions should be expressed? ISA 700 is accessible from the International Federation of Accountants (IFAC) website (link given in the Resources).

Submission Requirements

Your paper should meet the following requirements:

- **Written communication:** Written communication is free of errors that detract from the overall message.
- **APA formatting:** Resources and citations are formatted according to current APA style and formatting.
- **Length of paper:** 300–500 typed, double-spaced pages.
- **Font and font size:** Times New Roman, 12 point.

Refer to the International Auditing Scoring Guide to ensure that you meet the grading criteria for this assignment.

Course Resources

[APA Style and Format](#)

[International Federation of Accountants](#)

u05a2 - International Corporate Governance

By successfully completing this assignment, you will demonstrate your proficiency in the following course competencies and assessment criteria.

- Competency 4: Explain the differences between international and domestic auditing.
- Competency 5: Communicate professionally according to the expectations of the field of accounting.

Assignment Instructions

Increasing emphasis is being placed on organizations to be responsible corporate citizens instead of being driven solely by economic performance. This is referred to as *corporate social responsibility* (CSR). As a result, more efforts have been made by firms to identify and disclose the advances and initiatives they are taking toward CSR.

Respond to the following question from your course text. Your paper should be no fewer than 300 words and no longer than 500 words and be compliant with all APA composition and referencing requirements.

Chapter 15 Question

The following question appears on page 767 of your text:

The Corporate Responsibility Report 2010 of Coca-Cola Amatil Company is given in the Resources. This report mentions the four global pillars consistent with the global framework for corporate social responsibility.

Discuss the strategies, programs, and targets of the company in relation to each of those global pillars, as mentioned in the report.

Submission Requirements

Your paper should meet the following requirements:

- **Written communication:** Written communication is free of errors that detract from the overall message.
- **APA formatting:** Resources and citations are formatted according to current APA style and formatting.
- **Length of paper:** 300–500 typed, double-spaced pages.
- **Font and font size:** Times New Roman, 12 point.

Refer to the International Corporate Governance Scoring Guide to ensure that you meet the grading criteria for this assignment.

Course Resources

u05d1 - Corporate Governance

This discussion is based on a question on page 725 of your *International Accounting* text.

Chapter 14 Question

The UK Corporate Governance Codes takes the *comply or explain* approach. Describe the main features of the comply or explain approach to corporate governance. Why do you think this approach seems to be popular?

Response Guidelines

Read the posts of your peers and respond to at least two. Compare your post to those of your peers and note any differences. Explain why you agree or disagree with their views and analyses. Your responses are expected to be substantive in nature and should reference the assigned readings or other professional literature, as applicable, to support your views.

Course Resources

Undergraduate Discussion Participation Scoring Guide

u05q1 - Unit 5 Quiz 1

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 5 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 5 only.
- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.

u05q2 - Unit 5 Quiz 2

The quizzes in this course will allow you to show your ability to retain the information you have learned. This quiz will test your knowledge of the Unit 5 material. Read the following instructions before taking the quiz. These instructions will be the same for most of the unit quizzes:

- You will only be able to access and take the quiz once. Do not access the quiz until you are ready to complete it. One way to prepare is to review the unit readings prior to starting the quiz.
- There is no time limit on the quiz.
- There are 20 multiple-choice questions, and the quiz is worth 4 percent of your final grade for the course.
- Please access and submit the quiz during this unit. **Note:** This quiz covers material from Unit 5 only.

- Once you have submitted your quiz, feedback for all the questions will be displayed. You may access the quiz to view the questions, but you cannot retake the quiz to change your grade.

Click the linked quiz title to access the quiz. If you have any issues with the quiz, contact your instructor.