

DBA PROGRAM

Course Title: **International Accounting**
 Hours:
 ECTS Credits: **2 days**

➤ **OBJECTIFS PÉDAGOGIQUES DU COURS / LEARNING OBJECTIVES**

The objective of the course is to analyse the adoption and use of International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) which are key standards used by a majority of quoted companies worldwide. By attending this course, students understand why international harmonisation was a long process but a crucial issue. They learn about the importance of the conceptual framework on which the principles of accounting standards are based.

➤ **RESUME DU COURS / COURSE OVERVIEW**

In order to understand the logic of IAS/IFRS, a focus will be made on some specific standards related to Intangible assets in consolidated accounts (IAS 38 and IFRS 3). Related concepts, as fair value and impairment test, will be explained (IAS 36; IFRS 13). The standards will be illustrated with extract of annual reports. After this course, students should be able to find specific information on this subject in financial statements.

➤ **PLAN DE COURS /LISTE DES SUJETS ABORDES / TOPICS OF EACH SESSION**

✓ **Friday AM 8h30-12h30**

International accounting harmonisation: Why and How?

Chapter 1: The reasons for an international accounting harmonisation

- International differences
- Accounting classification systems

Chapter 2: International accounting harmonisation through IAS/IFRS

- The process
- The conceptual framework

Lunch break 12h30-13h30

✓ **Friday PM 13h30-16h30**

It's up to you !

(see references p3 and presentation to be done by each participant)

IAS/IFRS: Research questions

- Subject 1: What are the principal results?
- Subject 2: Shall fair value be questioned?
- Subject 3: Are actors opportunist?

✓ **Saturday AM 8h30-12h30**

Focus on some specific International standards related to intangibles

- I Where to find information about intangibles in financial statements?
- II How to account for intangibles in the balance sheet?
- III What is the fair value of intangibles?
- IV Shall intangibles be depreciated?

- Participants should
- - 1) install my powerpoint (IFRS : Focus on intangible assets) on their computer in order to benefit from the seminar
 - 2) download LVMH 2016 consolidated financial statements
<https://r.lvmh-static.com/uploads/2017/02/lvmh-comptes-consolides-2016-va-interactif.pdf>
 - 3) be able to refer to the international accounting standards. These four standards should also be installed on their computer. The English version is available on IASB's website after free registration (<http://www.ifrs.org/issued-standards/list-of-standards/>)
- IAS 38 « Intangible assets » (English)
- IAS 36 « Impairments of assets » (English)
- IFRS 3 « Business combinations » (English)
- IFRS 13 « Fair value measurement »(English)

Lunch break 12h30-13h30

✓ **Friday PM 13h30-16h30**

It's up to you!

(see references p3 and presentation to be done by each participant)

Intangibles and intellectual capital: research questions

Subject 1: What are the key issues about intellectual capital?

Subject 2: Accounting for intangibles

Subject 3: Fair value of intangibles: contradiction between relevance and reliability?

About IASB, IAS/IFRS you may be interested in following documents.

IFRS Pocket guide 2017

<http://www.ifrs.org/-/media/feature/around-the-world/documents/pocket-guide-2017.pdf>

IFRS Foundation. Who we are and what we do

<http://www.ifrs.org/-/media/feature/about-us/who-we-are/who-we-are-english-v2.pdf>

➤ **REFERENCES FOR AFTERNOON PRESENTATIONS**

The central goal is to present research questions in International Accounting and encourage participants to critically discuss research results published in leading accounting journals.

2 participants for each subject.

One paper each.

About 20 minutes for each paper (Review, analysis and criticisms of the paper)

✓ **Friday afternoon. IFRS : its up to you !**

Subject 1: What are the principal results?

- 1) Ahmed K., Chalmers K., Khelif H. (2013), A Meta-analysis of IFRS Adoption effects, *The International Journal of Accounting*, vol. 48, n°2, p. 173-217.
- 2) Chen H., Tang Q., Jiang Y., Lin Z. (2010), The Role of International Financial Reporting Standards in Accounting Quality: Evidence from the European Union, *Journal of International Financial Management and Accounting*, vol. 21, n° 3, p. 221-278.

Subject 2: Shall fair value be questioned?

- 3) Laux C, Leuz C.(2009), The crisis of fair value accounting: making sense of the recent debate, *Accounting, Organizations and Society*, vol.34, issues6.7, p.826-834
- 4) Landsman W.R. (2007), is fair value relevant and reliable? Evidence from capital market research, *Accounting and Business Research*, vol.37, p. 19.30

Subject 3: Are actors opportunist?

- 5) Christensen H. (2012), Why do firms rarely adopt IFRS voluntarily? Academics find significant benefits and the costs appear to be low » *Review of Accounting Studies*, Vol. 17, p. 518-525.
- 6) Daske H., Hail L., Leuz C. (2013), Adopting a label: Heterogeneity in the economic consequences around IAS/IFRS adoptions, *Journal of Accounting Research*, vol. 51, n°2, p. 495-547.

Saturday Afternoon. Intangibles : its up to you !

Subject 4: What are the key issues about intellectual capital?

- 7) Castillo-Polo F., (2007), The recent history of intellectual capital: the most significant topics and contexts on its development », *Journal of Accounting, Auditing, Performance Evaluation*, vol. 4, n°4/5., p. 360-381.
- 8) Petty, R.; Guthrie, J. (2000). Intellectual capital literature review: measurement, reporting and management, *Journal of intellectual capital*, Vol. 1, N° 2, p. 155-176

Subject 5: Accounting for Intangibles

- 9) Canibano L., Garcia-Ayuso M. et Sanchez P., (2000), Accounting for intangibles: a literature review, *Journal of Accounting Literature*, Vol. 19, p. 102-130.
- 10) Penman S. (2009), Accounting for intangible assets: There is also a income statement. *Abacus* vol. 45 issue 3; p. 358-371

Choose subject 6 only if enough participants

Subject 6: Fair value of intangibles: a contradiction between relevance and fiability?

- 11) Cazavan-Jeny, A. and Jeanjean, T. (2006), The negative impact of R&D capitalization: a value relevance approach, *European Accounting Review*, 15(1), p. 37-61.
- 12) Ramanna, K. and Watts, R. L. (2012) Evidence on the use of unverifiable estimates in required goodwill impairment, *Review of Accounting Studies*, 17(4), pp. 749-780.
(THIS LAST ARTICLE ON GOODWILL IS FOR A PARTICIPANT WITH VERY GOOD KNOWLEDGE in ACCOUNTING AND BUSINESS COMBINATIONS)