GLOBAL STRATEGIC FINANCIAL ANALYSIS
ACC 557 – June 2015

A Graduate Elective Course
for MSA, MACC, MBA(All majors), MS-Entrepreneurship, and MS-Sustainability Students

Offered by
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Executive Guest Speakers

Holger Erchinger is an audit partner with KPMG LLP. in New York and has 19 years of experience in serving different companies on audit, audit-related, and consulting engagements, including SEC registrants with US GAAP and IFRS Financial statements. In his current role, his duties include consulting on a variety of accounting, reporting, and audit issues, he is a member of KPMG's Global IFRS Topic Team, and is acting as IFRS reviewing partner for KPMG audit clients. In addition, Holger serves on the Board of the International Association for Accounting and Education Research (IAAER). Holger worked between 1994 and 2013 in KPMG offices in Munich, New York, Berlin, and served in addition from 2006 to 2008 as a professor at Berlin School of Economics and Law and published various papers and studies regarding International Standards on Auditing, IFRS, and SEC-related IFRS rules and regulations. Holger is licensed as a CPA in the state of New York and Colorado and as a German CPA.

Dr. Marian Powers, a professor and Academic Director of Executive Education at Northwestern University’s Allen Center for Executive Education, has more than 20 years experience teaching global business executives. She will summarize the financial characteristics of high performance companies and
provide a financial tool to help top non-financial executives understand and analyze financial statements and make strategic decisions based on the results.

Ms. Gabriella Kusz, MBA, CPA, Senior Financial Management Specialist for the World Bank with responsibility for Europe and Central Asia. She is also Senior Technical Manager at the International Federation of Accountants (IFAC) with responsibility for furthering implementation of the IFAC/Donor Community Memorandum of Understanding to Strengthen Accountancy and Improve Cooperation (MOSAIC). This agreement brings together IFAC and ten signatory donor organizations to coordinate efforts, support direct financing of PAO capacity building activities, and further the aid effectiveness agenda. In addition, she is presently providing guidance and support to the activities of the Professional Accountancy Organization (PAO) Development Committee and its focus on orienting PAOs to contribute to financial sector development and economic growth. Finally, she manages a portfolio of member and emerging professional associations throughout the Middle East and Southeastern European regions - providing guidance, assistance and support in the development of strategic action plans, creating regional events and activities to promote their advancement, and coordinating activities with PAO leadership, government representatives and key stakeholders.

**Overview Outline**

I. The Big Picture: Business Strategy and Trends in Financial Reporting
II. Strategy as Revealed Through the Financial Statements I
III. Ethics and Judgment in Global Financial Reporting
IV. IFRS: A Global Force in Financial Reporting
V. The Challenges of Fair Value Reporting
VI. GroupOn Financial Reporting Research Case: FASB, SEC, and PCAOB Research
VII. Value Creation Through Cash Flows Management
VIII. Global Financial Reporting: Researching the Differences
IX. Graeber Financial Reporting Research Case: Fair Value Reporting Research and Application
X. Integrated Financial Reporting and Sustainability Accounting
XI. Summing Up: Global Strategic Reporting
Course Description:
Every business and accounting graduate needs to research, interpret, and analyze financial statements of their own company or others. In this course, which requires a basic knowledge of accounting, students concentrate on their own career goals by focusing on interesting and stimulating cases of well-known financial successes and failures in the global business world. While most accounting courses focus on the preparation of financial statements, this course enables graduate students in various disciplines to become intelligent users (readers) of financial statements by researching both U.S. standards and international standards. Students will learn to identify key relationships in the statements to strategy of high performance companies and to make critical judgments underlying the elements and valuations in the financial statements. Further, students will take an international perspective by studying global developments in financial reporting including international financial reporting standards (IFRS), integrated reporting and sustainability accounting. The course is a useful elective for all graduate business disciplines and especially for students in management, finance, accounting, finance, forensic auditing, entrepreneurship, and sustainability management in the MSA, MACC, MBA(All majors), MS-Entrepreneurship, and MS-Sustainability Students
Prerequisite: ACC 500 or equivalent

First summer 2015
This course will be conducted in four day-long seminar sessions and five one-half day presentations and final.
June 20 (Friday) and 20 (Saturday): 9:00 am-4:15 pm
June 26 (Friday) and 27 (Saturday): 9:00 am-4:15 pm
July 10 (Friday) and 11 (Saturday): 9:00 am-4:15

Course Grading and Learning Assessment:
The grade for this course will be based on the following:
International Company IFRS and Integrated Reporting Research Case: 20%
GroupOn Financial Reporting Research Case: 15%
Graeber Financial Reporting Research Case: 15%
Class Attendance and Participation (includes discussion of selected research issues and weekly reading of WSJ): 15%
Final Examination 35% (Note: a grade of at least 88% is required on the final to make an A in the course; 86 to make an A-), 84 to make B+, 82 to make B, 80 to make B-)
Total 100%

Note: All papers submitted in D2L Dropbox are subject to plagiarism scans.
Course Materials:
Needles, Belverd E. and Powers, Marian, *Financial Performance Scorecard 2.0 (2012)*: Available for download

_Student Membership in IAAER_ (iaaer.org): This $10 membership gives you access to eIFRS, a searchable database of International Financial Reporting Standards (IFRS)

_Access to FASB Codification:_ You will be given a user name and password for free access all FASB pronouncements.

_Wall Street Journal:_ At least one issue per week

_Other readings:_ Provided on D2L and indicated in weekly Communications

Computers
Students should bring laptops to class as we will be doing research and analysis in class. We will be working teams, so not to worry, if you do not have a laptop, you will be paired with someone who does.

Global Research Projects and Presentations:
Financial Reporting Research Cases will increase your ability to research financial reporting issues for actual companies on US (FASB, SEC, PCAOB) and international websites (IASB).

The international company project will focus on a multinational company from another company that follows integrated financial reporting. Each group will be provided a proprietary software template entitled _Financial Performance Scorecard_ for the project to guide their analysis and research. Further, they will analyze and research the company’s use of IFRS and integrated financial reporting.

Several Discussion Groups will be used for various aspects of the course and will be assigned in class. Intensive group workshops and rehearsals to finalize the presentations, the facts, the concepts, the skill sets. Students must have their presentations virtually completed to allow for in-class review, adjustment, and dress rehearsal of projects.

We will present a detailed briefing on the projects on the first day of class.
Students should treat presentations as one of the most important points in the courses. This will not only be representation of their class-work, but also a representation of DePaul University’s Graduate Programs. Invited Alumni and Other Guests will review presentations.

**Class Attendance and Participation Protocol:**
Our objective is to learn and share knowledge and ideas. To do this, we need to establish the right environment and protocol. Learning begins with a student’s positive attitude and philosophy toward learning. To achieve this, attendance and participation is a requirement of the course. Deficiencies in attendance or class participation will adversely affect a student’s grade. Evening class, full day and partial day absences are not allowed without prior approval. The “rules of engagement” are designed for the benefit of our students and to achieve the highest level of learning possible.

**Here are a few items to note:**

*Nameplates:* Use of nameplates is a requirement for each and every class session, including presentation days and group study times. Each day that a nameplate is not used will have an adverse effect on the student's grade. ONE nameplate will be issued at the beginning of the course and each student is asked to retain or return at end of day as instructed. It should be displayed in front of the desk at all times. If you are an international student who uses and English name, please put it on your name plate. If not, please help me to understand the pronunciation of your native name.

*Participation:* During each class session, the first time you ask a question or provide a comment, please start by stating your name. This provides a good way for everyone to be able to call each other by name. Every student is expected to participate in class on a regular basis.

*Cellphone and Computer use:* Cellphone use for calling, texting, and internet are not allowed in class. Usage will be noted and be a deduction in class participation grade. Further, laptop computers are to be used only for class work. Other usage will result in a deduction from class participation.

*Current Events and discussion* At the beginning of each class, we will discuss recent current events in the financial news as well as follow up on issues from the previous day.
**Advance Readings:** It is expected that students will read the advance materials before class, including at least one issue of the WSJ each week, and be prepared to discuss. Students should bring the readings to class session. All readings will be posted on D2L or emailed.

**Dedicated time:** This course requires concentrated time and it is expected all students will devote the time necessary to make the course a success.

**EVERY STUDENT IN ACC 557 (previously ACC 798) RECOMMENDS THE COURSE**

**Would you recommend ACC 557 to other graduate students and why?**

Yes, it gives you the ability to use skills learned in other classes and apply them to real world situations. I really enjoyed the lectures and guest speakers.

Yes, good to understand business context behind the numbers. Great background for general managers to have.

Yes, concise, interesting, and up to date w/ current events.

Sure, IFRS is important.

Definitely, it’s a good wrap up to all my other accounting courses and kind of ties them together.

Yes, students who have not worked in the profession really need to learn the big picture. Accountants tend to be always in the trenches’ doing detailed work and often not equipped to conceptualize the overall company & performance.

Absolutely, it teaches useful tools for the real world. I can immediately apply our learning to my work in public accounting.

Yes because it delves into the reading of financial students and IFRS. These are topics, which I believe are not covered as much.

Yes, it was interesting, informative and relevant to today’s changing accounting approaches and movement towards a more globalized business world/strategy.

Yes, I would absolutely recommend this course. It processes a real life view of companies and their statements. Also, teaches how to better read and understand statements.

Yes, whole much of the info is my surface level, it facilities a more critical view of data we use.

Yes, I found it to be very useful and could really be used in business.

Yes, both acct and FIN students. Great prep for CPA and CFA exams. IFRS vs GAAP.
Yes, because it brings many things learned in other accounting classes into practice.

Yes, the condensed version is very enjoyable. Great application to current issues, fun teamwork, relevant to work.
Tentative Course Schedule – In Brief

First Week

Friday, June 19, 9:00 am – 4:00 pm:


Session 2: Team work: Deconstructing McDonald’s financial statements & annual report I

  Working lunch: Teams assigned and Companies for International Financial Research Project selected

II.  **Theme: Strategy as Revealed Through the Financial Statements I**

Session 3: Team Work: Evaluating Operating Strategy: The Case of the Three Unidentified Companies (To be handed out)

Session 4: High Performance Company (HPC) Research and The Financial Performance Scorecard (FPS) Scorecard

Saturday, June 20, 9:00 am – 4:00 pm:

III.  **Theme: Ethics and Judgment in Global Financial Reporting**

Session 1: Financial Statements and Earnings Management Research: Ethical Financial Reporting and The Role of Judgment


  Working lunch: Work on research assignments
IV. IFRS: A Global Force in Financial Reporting

   Guest Lecturer: Holger Erchinger, Partner, KPMG, New York

V. Theme: The Challenges of Fair Value Reporting

Session 4: The Basics of Fair Value Reporting: The Major Success of U.S. GAAP-IFRS Convergence:

Second Week

Friday, June 26, 9:00 am – 4:00 pm:

VI. Theme: GroupOn Financial Reporting Research Case: FASB, SEC, and PCAOB Research

Session 1: Team Work: Finalize GroupOn Financial Reporting Research Case
Session 2: Team Presentations: GroupOn Financial Reporting Research Case

Working lunch: Work on international company team presentations

VII. Theme: Value Creation Through Cash Flows Management

Session 1: Strategies for Creating Value through Astute Cash Management
   Guest Lecturer: Marian Powers, Ph.D., Professor of Executive Education, Kellogg Graduate School of Management, Northwestern University

Session 2: Team work: Deconstructing McDonald’s financial statements & annual report II
   The FPS scorecard and Cash flow Analysis: McDonald’s

Saturday, June 27, 9:00 am – 4:00 pm:

VIII. Theme: Global Financial Reporting: Researching the Differences

Session 1: US GAAP VS IFRS: Individual Presentations and Class Discussion of Selected Research
Session 2: US GAAP VS IFRS: Individual Presentations and Class Discussion of Selected Research
Teamwork: Assignment of research on Integrated Financial Reporting and Sustainability Accounting

IX. Theme: Graeber Financial Reporting Research Case: Fair Value Reporting Research and Application
Session 3: Graeber Financial Reporting Research Case Introduction
Session 4: Teamwork and class discussion: Prepare Graeber Financial Reporting Research Case

Third Week

Friday, July 10, 9:00 am – 4:00 pm:

X. Theme: Integrated Financial Reporting & Sustainability Accounting

Session 1: Integrated Financial Reporting and Sustainability Accounting I
Session 2: Integrated Financial Reporting and Sustainability Accounting II
Class Discussion of Selected Research

Working lunch: Work on international company team presentations

XI. Summing Up: Global Strategic Reporting

Session 4: Guest Speaker: Gabriella Kurz

Session 3: International Company Financial Reporting Research Team Presentations

Saturday, July 11, 9:00 am – 4:00 pm:

Session 1: Finish Presentations as necessary
Final exam: scope to be determined