issues in both developed and emerging countries, including corporate governance and international accounting convergence.

Chapters 6 and 7 provide a technical discussion of (1) foreign currency transactions and translations, and (2) financial reporting and changing prices. While clearly written at an appropriate level, these chapters could use additional end-of-chapter material to enhance and guide the students' learning of these challenging and complex topics. Fortunately, there is a plethora of instructional materials available to supplement these important chapters.

Chapters 8 through 12 present several specialized international accounting topics including (1) global accounting and auditing standards, (2) financial statement analysis, (3) managerial planning and control, (4) financial risk management, and (5) international taxation and transfer pricing. These chapters are written as "stand-alone" chapters; i.e., they can be reordered to an instructor's preference, or omitted if time constraints exist.

In summary, this book competently meets its stated objective of "introducing students to the international dimensions of accounting, financial reporting, and financial control" (p. xvii). The authors clearly understand that every accounting student needs at least a working knowledge of the major issues involved in international accounting, and they have written a text that capably assists students acquire that knowledge.

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JUAN RAMIREZ, *Accounting for Derivatives: Advanced Hedging under IFRS* (Hoboken, NJ: John Wiley & Sons Ltd., 2007, xiv, 427 pp, ISBN 978-0-470-51579-2). Information available at: http://www.wiley.com/WileyCDA/WileyTitle/productCd-0470515791,descCd-tableOfContents.html.

The Preface to this book states that it is aimed at "corporate CFOs and treasurers, bank financial engineers and advanced accounting students," as well as "well-versed professional accountants" (p. xiv). The author is clearly knowledgeable in both the requirements of International Financial Reporting Standards (IFRS) addressing hedge accounting and related matters, and the practical application of those standards in real-life situations. The detailed analysis of those situations makes this a valuable reference for those developing hedge accounting strategies. However, I think that the analysis will be beyond the needs of many advanced accounting students, other than as a reference to which they might refer to understand a sample of real-world strategies. I cannot imagine such students working their way through all of the strategies in the book. Perhaps the greatest use for this text in the academic world is as a reference document to which students might be directed to review a few of the examples so as to obtain a flavor of the application of the standard in real-life situations.

The book begins with an overview of the accounting requirements, including methods for testing effectiveness, an aspect that requires some knowledge of practice since the accounting standards do not deal with it. The chapter hints at practical applications, but it would be nice to have had some more indication of the extent to which different applications are prevalent in practice. Several of the subsequent chapters also commence by summarizing accounting requirements in such areas as foreign currency accounting and share-based payments. While the summaries of the accounting requirements are useful and accurate, there are many other texts that focus on those requirements, and I would expect the student to rely on other sources rather than this text for a thorough understanding of what the standards require. Where this book has value is in demonstrating the application of the standards.

Chapter 2's introduction to derivatives is a logical and useful analysis of the main instruments used in the market. It might have been useful, however, if this chapter had included all instruments subsequently referred to later in the book. For example, it does not mention participating forwards, which are introduced on page 54, but not mentioned in Chapter 2, or KIKOs, which are mentioned on page 54, but only finally explained on page 99.

Each of the subsequent chapters thoroughly analyzes hedging of foreign exchange risk, foreign subsidiaries, interest rate risk, foreign currency liabilities, equity risk, and commodity risk, respectively. The meticulous illustration of calculations and journal entries for each scenario is very useful, but becomes repetitive after a while when going through the book from beginning to end (in particular, the repeated calculations of ineffectiveness for 100 percent effective situations). This, again, suggests that the major use of this book would be in selectively reviewing parts of it—perhaps by assigning students to review a sample of the more common hedging strategies, or an individual chapter of the book. In that respect, because it fully analyzes each case, the reader will not lose any information through not having read prior chapters or cases.

Chapter 3 contains interesting analyses of the different ways of splitting instruments for best hedge eligibility. Chapter 4 also considers the advantages and disadvantages of using different hedging instruments and designations.

Such analyses provide real insight into how an entity might best optimize its hedge accounting strategies. Similar analyses are not, however, as prevalent later in the book.

Occasionally the text touches on strategies that might result in debate between auditor and company. It is useful that these have been identified, giving the reader some insight into the subjectivity involved in some situations, as well as flagging that some strategies are more risky than others. In some cases, it would have been useful to understand the reason for both sides of the argument. For example, it is indicated on page 186 that most auditors consider that separation of an embedded derivative is required in an inflation-indexed bond. Subsequently, Section 5.8 of the chapter refers to the reverse view in accordance with U.S. GAAP, but neither explains the rationale for those differing views.

Chapter 7 starts with a review of debt versus equity classification and strategies for managing such classification. While it takes a while for this chapter to get back to analyzing hedge accounting strategies, the possible means of managing debt-equity classification are interesting, if not immediately obvious why they should be included in a book on hedge accounting.

The technical accounting accuracy of the book seems without reproach, with the exception of a statement in Chapter 7 (page 347 and Figure 1) that joint ventures are usually accounted for using proportionate consolidation. IAS 31, *Joint Ventures*, permits either proportionate consolidation or the equity method, and the equity method is the more usual practice and the likely future method to be required by a revised IAS 31.

The last chapter of the book considers the main advantages and disadvantages of adopting hedge accounting, including the costs and risks (such as the risk that a highly probable transaction does not occur, and the consequences thereof). This is a useful chapter, worth reading.

Some minor annoyances include the relatively frequent spelling and grammatical mistakes throughout the text, which surely could have been eliminated with more thorough proofreading. In some cases, they can be significant, such as on page 190 where the reference to a "hedge item" should be to a "hedged item." In other cases, they are merely distracting. I also wonder who it is that is referred to frequently as "we," since the book purports to be written by a single author.

Overall, this is a thoroughly and accurately prepared text that would be a useful addition to accounting departmental libraries as a reference source for advanced accounting students to understand the interaction between the specific requirements of the accounting standards and their application in real-world situations.

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ERNST & YOUNG, *Towards Convergence: A Survey of IFRS to U.S. GAAP Differences* (London, U.K.: Ernst & Young, 2007, ii, 144 pp). Information available at: http://www.ey.com/Global/assets.nsf/International/IFRS_Towards_Convergence/$file/EY_IFRS-US_GAAP_Towards_Convergence.pdf.

This monograph, produced by Ernst & Young (primarily written by Dave Cook, James O'Donoghue, and Purvi Domadia, members of the Capital Markets Group), provides a practical summary of various, select differences between United States Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS). Given the recent plans announced by the U.S. Securities and Exchange Commission (SEC) to move toward IFRS, and indications that IFRS will be assessed on the Uniform Certified Public Accountant Examination, this monograph is both timely and useful. Its content and presentation is appropriate as a resource for practitioners, as well as a reference in the classroom for accounting instructors who wish to prepare students for the pending implementation of IFRS.

For practitioners who are well-versed in U.S. GAAP, the monograph highlights select differences between the two sets of standards in such a way as to allow for an understanding of not only when these differences may be present, but which IFRS would apply under various circumstances. This will be useful as practitioners begin to implement reporting under IFRS and analysts interpret financial reports. For students, the resource fills a current void in most traditional accounting texts, which have yet (or are just beginning) to present elements of IFRS to those preparing for a profession in accountancy. Most traditional U.S. intermediate and advanced financial accounting texts are still based on U.S. GAAP, and faculty must incorporate international accounting textbooks to integrate these concepts. Its usefulness is particularly apparent given a recent KPMG and American Accounting Association (2008) survey indicating most university professors have yet to work IFRS into their curricula.

The monograph is divided into five sections and four appendices. The first two sections, Overview and Overall Analysis, provide a summary of their survey of 130 foreign private issuers' SEC Form 20-F filings. The survey