Case Study of Pertinent Skills of the International Financial Reporting Standards as

Identified by Accounting Professionals

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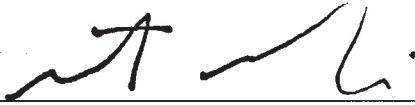

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Abstract

The convergence from U.S. Generally Accepted Accounting Principles (GAAP) to International Financial Reporting Standards (IFRS) is an attempt to harmonize accounting standards globally. Because of the rapid convergence to IFRS, the accounting profession is changing as educational facilities are altering some aspects of their objectives. The problem that was addressed in this research is how predominate IFRS skills, sought after by accounting firms, may not be consistently taught in the accounting curriculum when funding is not provided (Elena et al., 2009; Jones et al., 2009). While existing accounting employees are receiving training on IFRS, potential employees are expected to have gained some knowledge of the topic during their educational career, before being hired (Elena et al., 2009; Mintz, 2010; Thomas, 2009; Munter & Reckers, 2009). Current literature that describes general curriculum theory focuses on the importance of creating curriculum and what is expected of learners, and this theory pertains to the accounting curriculum. This dissertation focused on the specific IFRS skills, determined by professional accountants, and how those skills are being taught in existing accounting courses. Therefore, further research specified and linked the IFRS skills needed to how those skills are being taught in existing classes. The purpose of this qualitative single case study was to review specific IFRS skills, identified by accounting firm employees, to determine how they are being instructed as part of the accounting curriculum at universities, leading to an understanding of the preparation of accounting students for professionalism. Single case studies significantly contribute to knowledge and theory building.

Overall, the researcher attempted to contact 20 participants. Of the 20, only three agreed to participate in the study. The three participants each completed an online survey that enabled them to communicate their experience with IFRS as it pertains to their profession. The sample consisted of employees at universities in the United States, focusing on their experience with IFRS. An expert sampling method was used in order to contact the three participants. Participants shared their experience on teaching important IFRS skills in the existing accounting courses by completing the online survey. The results of the survey were evaluated to determine how IFRS skills are taught in the accounting curriculum. Universities who have received IFRS funding were compared to universities who have not received funding to determine the differences between the curriculum teachings. Four recursive major themes emerged from the study: (a) the ability to differentiate between IFRS and US GAAP, (b) limited time in existing accounting classes, (c) asking questions on tests, and (d) already incorporated into classes. The key findings implied universities that include IFRS in existing accounting courses only incorporate the standard by studying a few differences between IFRS and U.S. GAAP, not fully covering the skills sought by accounting employers. The recommendation for future practice included a reward to participants if they complete the survey. Recommendations for future studies considered an expansion of the major themes into separate studies focusing on the possibility of adding skills to current accounting courses, exploring other ways to ensure comprehension of IFRS, and exploring other methods to increase the number of universities who offer a separate IFRS class.

Acknowledgements

First I would like to thank God for everything he has blessed me with. This would not be possible without Him. I would also like to thank my family and friends for their never-ending support and understanding during this journey. Finally, thanks to the dissertation committee: Dr. Petrou and Dr. Jeter. To my Chair, Dr. Jennings, thank you for your support and consistent guidance.

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Chapter 1: Introduction

Major U.S. accounting firm employees noted that there are major differences between Generally Accepted Accounting Principles (GAAP) and the upcoming new accounting standards, International Financial Reporting Standards (IFRS) (Benzacar, 2008). In 2007, the Securities and Exchange Commission (SEC) decided to delete the required reconciliation for companies that conduct business internationally as well as domestically (Gray, Linthicum & Street, 2009). In return, the SEC implemented a roadmap that will enable all companies to convert to IFRS beginning in 2010 (Gray et al., 2009). The understandability of the IFRS standards may take years to accomplish, and therefore companies may be affected by the lack of knowledge. For instance, Bohusova and Nerudova (2011) stated that the major difference between GAAP and IFRS is that GAAP is based on specific rules, while IFRS is based on basic accounting principles. These differences lead to major modifications in financial statements, which may affect many different aspects of the companies, such as ranking and potential financing (Markelevich, Shaw & Weihs, 2010).   Learning a new accounting standard may cause anxiety for students. Also, instructors differ in their opinions of what classes should include a discussion of IFRS. In essence, there is limited research on the actual skills and knowledge necessary for employment (Jones, Vedd & Yoon, 2009). The accounting firm KPMG and the Education Committee of the American Accounting Association conducted a survey on 530 faculty members, and concluded that 89% believed IFRS should be incorporated in intermediate accounting courses (Munter & Reckers, 2009). Fajardo and Merrill (2010) also thought that IFRS should be included not only in intermediate courses, but advanced courses as well. On the other hand, Jones et al.

(2009) concluded that potential employees expect graduates to have some form of IFRS awareness and be able to prepare IFRS-based financials to be considered for hire by certain accounting firms. Faculty believes that their retraining and course development will be provided by the publishers of accounting textbooks, but this will not happen in a timely manner. Therefore, other sources, such as those provided by accounting firms, may be used to incorporate IFRS skills in the curriculum. Accounting firms, such as PricewaterhouseCoopers, Ernst & Young, and Deloitte have been known to award grants to universities and/or create vital resources to assist in implementing IFRS in the curriculum (Weiss, 2011). However, there has been no research on determining if specific IFRS skills are being taught at universities (Jones et al., 2009). According to Jones (2009), employer expectations of IFRS knowledge and skills should include the ability to apply IFRS, the preparation of IFRS financial statements, and the reconciliation between IFRS and U.S. GAAP. Previous research has only focused on students receiving training on broad skills, such as computer and communication skills (Metrejean, Metrejean & Stocks, 2008). While focusing on the curriculum theory and the contextual experiences of three purposely selected accounting instructors at universities in the United States, the proposed single case study used a survey to help determine how pertinent IFRS skills are being taught in the existing accounting curriculum of those universities. The study compared universities that have received grant funding to include IFRS in their curriculum to universities that have not received funding. This study is relevant because employers expect potential employees to possess IFRS skills before being hired.

The dissertation contains a description of the proposed qualitative case study. It encompasses five chapters: introduction, literature review, research method, findings, and implications, recommendations, and conclusions. The introduction section will contain the background, problem statement, purpose of the study, theoretical framework, research questions, nature of the study, and the significance of the study.

Background

The convergence to IFRS forces change in the educational realm of accounting. The limited research on pertinent IFRS skills is demonstrated by Metrejean, Metrejean and Stocks (2008), who stated that companies require potential employees to have some knowledge of IFRS, and this knowledge is based on communication and computer skills. However, educational facilities do not require IFRS or international accounting courses in the curriculum (Bates, Waldrup & Shea, 2011). Zhu et al. (2011) stated that instructors only spend between 15 and 20 minutes on IFRS in accounting courses. The skills that some companies seek are explained broadly by stating a conceptual understanding of IFRS is required (Jones et al., 2009). According to Jones (2009), specific skills that accounting graduates should possess are the ability to apply IFRS, the preparation of IFRS financial statements, and the reconciliation between IFRS and U.S. GAAP. The problem is that the proposed accounting standard IFRS is not consistently taught in the accounting curriculum when funding is not provided (Elena et al., 2009; Jones et al., 2009). Therefore, this study provided insight on the contextual teaching experience of IFRS from faculty members at universities that received grant funding to include IFRS in their current curricula versus those that have not received funding. According to Mintz (2010), international courses are included in current accounting curricula to increase the

desirability of students. Therefore, the lack of this study could cause inadequacies in graduating accounting students, as they may not be prepared for professionalism in the accounting field once the full convergence to IFRS takes place.

To ease the convergence to IFRS, current research has adequately covered the convergence timeline, the differences between GAAP and IFRS, and how IFRS should be included in the accounting curriculum (Elena et al., 2009; Frings, Frings & Mastilak, 2012; Munter & Reckers, 2009). Additionally, current research provided a framework for examining the specific accounting skills, and how those skills are taught in accounting courses, rather than reviewing the accounting curriculum as a whole (Jones et al., 2009). The curriculum theory best fitted this study because it focuses on the development, use, and evaluation of the IFRS curriculum. The curriculum theory ensures that students receive the necessary skills to be successful in their professional lives.

Statement of the Problem

This dissertation focused on the specific IFRS skills, determined by professional accountants, and how those skills are being taught in existing accounting courses. While researching entry-level accounting skills, Jones et al. (2009) demonstrated that the required IFRS skills and knowledge identified by management at accounting firms may not be taught to accounting students. It is noted that 56% of instructors at universities spend 30 minutes or less on the topic of IFRS, and college accounting programs are not requiring an international accounting course (Zhu, Rich, Michenzi & Cherubini, 2011; Bates et al., 2011). However, 52% of companies expect their employees to have some general knowledge about IFRS, which also indicates that those employees are in high demand (Elena et al., 2009). Therefore, the problem was that the proposed accounting

standard IFRS is not consistently taught in the accounting curriculum when funding is not provided (Elena et al., 2009).

Limited research existed on the skills management at accounting firms seek from potential employees, as these skills can be used as criteria for the IFRS curricula. The focus of this dissertation was on the specific IFRS skills, determined by professional accountants, and how those skills are being taught in existing accounting courses. For instance, qualitative research by Jones et al. (2009) only revealed that employers hire individuals with enough knowledge of IFRS to prepare financial statements. Jones et al. (2009) also stated that the skills accounting graduates should possess are the ability to apply IFRS, the preparation of IFRS financial statements, and the reconciliation between IFRS and U.S. GAAP. Research on the critical skills was noteworthy and contributed to the curriculum theory in that it compared the IFRS curriculum of universities that have received grant funding with universities that did not received funding.

Purpose of the Study

The purpose of this qualitative case study was to determine how IFRS skills are being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those who do not receive funding. If students are learning the proper IFRS-related skills in college, they will be better prepared for a professional accounting career. An open-ended survey was used to qualitatively explore the accounting curriculum and IFRS content at universities in the United States. The study evaluated universities who received grant funds and those who did not receive grant funds to incorporate IFRS into the curriculum. The survey questions focused on the most important IFRS skills.

Only employees from universities in the United States who include IFRS in their curriculum were purposefully included in the study. There was total of three participants as units of analysis. One participant was employed at a university that received grant funding. The other two participants were employed at universities that did not receive grant funding. The facilities were derived from the population of universities who received funding, compared to the top rated universities in the United States. Because of the number of participants, saturation may not have been reached (Padgett, 2004).

The data was analyzed using qualitative software called ATLAS.ti which allowed the researcher to categorize the retrieved data by open and axial coding. Universities in the United States was the category used in the study, and grant funding is the subcategory (axial coding). The relationship between funding and four themes of the study (open coding) was studied to determine how each category affected the universities to gain an understanding of how IFRS skills are included in the accounting curriculum. A test study was completed on one university to ensure question and protocol reliability and validity before the actual research was conducted.

Theoretical Framework

The theoretical framework of the convergence to IFRS used in this research was based upon the main differences between GAAP and IFRS from a curriculum theory perspective (Sinha, 2008). Current curriculum theory literature describes the differences between GAAP and IFRS as the difference between rules-based and principles-based accounting standards, which now must be taught by educational facilities and sought after by accounting firms (Watts & Zimmerman, 1979; Jones et al., 2009). Educational

facilities in this study pertained to universities only. The effects of the change in

accounting principles from the curriculum theory perspective are illustrated in Figure 1.

Figure 1: Theoretical framework of the convergence to IFRS from a curriculum theory perspective. The decision to convert to IFRS affects educational facilities, teachers, and ultimately students are affected, which leads to the qualification of potential employees.
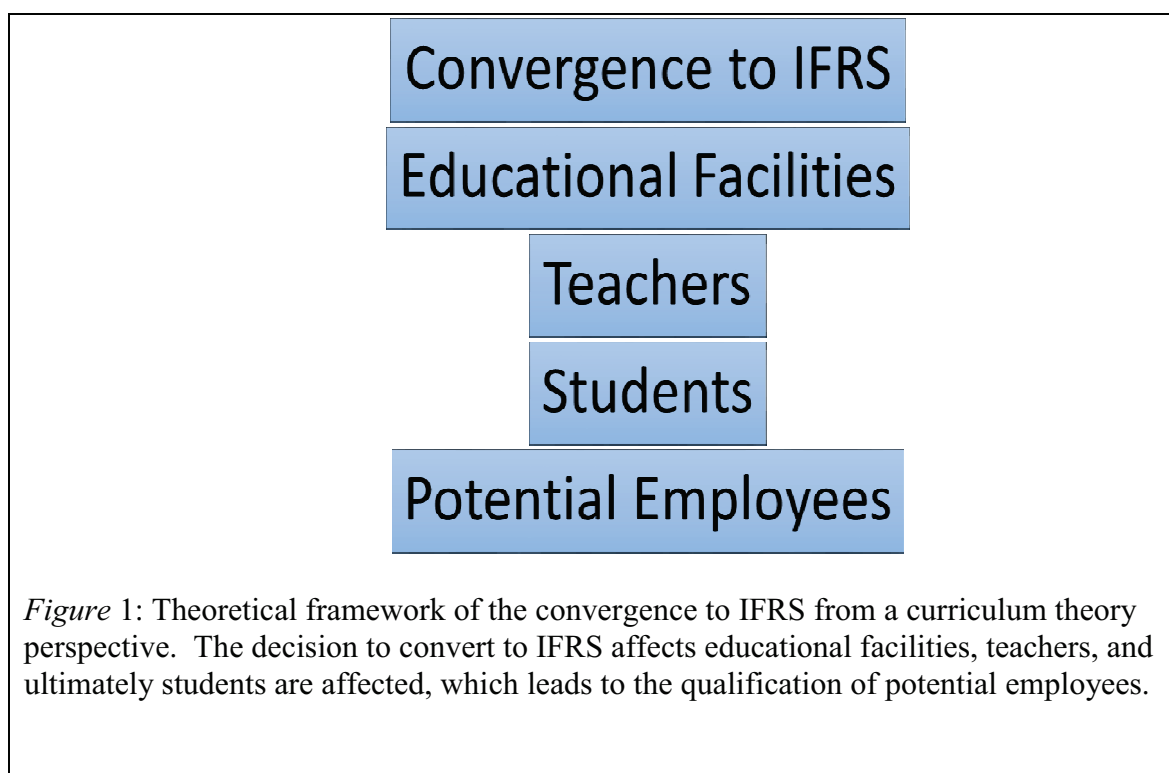
This study was based upon the framework of the curriculum theory. The

integration of analyses, interpretations, and understanding of curricular phenomena

compose the curriculum theory (Cherryholmes, 1982). "This cluster contains beliefs,

commitments, values, and ideologies surrounding what and how to teach" (Cho & Tent,

2005, p. 106). The curriculum theory provides the processes of curriculum development,

the politics of curriculum amplification, governmental laws and regulations, and the

development of educational materials (Cherryholmes, 1982).   Curriculum theory gives

meaning to a phenomenon related to the concept of curriculum and its development, use,

and evaluation (Beauchamp, 1982).

Backward curriculum theory consists of acknowledging the main topic of a

subject matter, which would include the student's ability to retain the most important

aspects of the taught topic (Cho & Tent, 2005). In order for students to understand, the instructors must be aware of student engagement as part of their curriculum (Cho & Tent, 2005). Instructors must also put emphasis on determining how to assess student's progress as it relates to predetermined goals (Cho & Tent, 2005).

Many instructors believe that the most effective way to disclose key objectives within a curriculum is to identify the desired outcomes in the beginning of the course, which is the purpose of backward curriculum theory (Cho & Tent, 2005). Therefore, this study highlighted the theoretical significance of the curriculum theory, as it focused on the accounting firm required IFRS skills and how these skills are being taught at universities. The results of the study can help other universities who are in the process of implementing IFRS into the curriculum determine which skills are deemed important and necessary in the accounting profession.

The curriculum theory ratifies that educational institutions are responsible for ensuring that their students receive the necessary skills to perform in the profession of their choice. Therefore, the accounting divisions of the institutions must include IFRS in the existing curriculum, while including the necessary skills noted by accounting firms. Previous research suggested that instructors spend between 15 and 20 minutes on IFRS in accounting courses (Zhu et al., 2011). Bates et al. (2011) also stated that international accounting courses are not mandatory, but can be chosen as an elective. Many instructors are reluctant to include IFRS in their curriculum because of curriculum space, aging faculty, lack of textbook support, and lack of IFRS inclusion on the CPA exam (Jacking, Howeison & Natoli, 2012). The students may be reluctant to learn a new standard because of an increase in the accounting sequence of classes (Davidson & Francisco,

2009). However, the approximate amount of time needed to learn IFRS has not been given.

The convergence to IFRS must be carefully and strategically planned, as it relates to the curriculum theory. The curriculum theory includes the concept of curriculum development, use and evaluation, and this study reviewed these aspects of the IFRS curriculum while focusing on pertinent skills noted by employers. This is to ensure that accounting firms and accounting curricula are in agreement with what is necessary for future students and potential accounting employees' success in the profession. To transfer knowledge from the accounting students to the potential employees, theorists need to understand exactly what knowledge is needed to ensure that the students are adequately trained.

Research Questions

The focus of the proposed study will be on IFRS skills required by accounting firms and the potential gap within existing accounting curriculum at universities. The research questions that drive the study are:

Q1. What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

Q2. How are the specific skills on IFRS, identified by accounting professionals, being taught in existing accounting courses?

Q3. How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

Q4. How does faculty members at universities who received grant funding teach IFRS skills differently than those faculty members at universities that did not receive grant funding?

Nature of the Study

The purpose of this qualitative case study was to determine how IFRS skills are being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those that do not receive funding. The study contributed to the curriculum theory by providing information on the content of the accounting curriculum as it relates to IFRS skills. Yin's (2009) method of case study data analysis includes collecting the data, then developing a description of what and how it was experienced. Figure 1 illustrates the integrated theoretical framework of the convergence to IFRS from a curriculum theory perspective. The curriculum theory related to the development, use, and evaluation of a curriculum by understanding and analyzing a curricular phenomenon (Cherryholmes, 1982; Beauchamp, 1982). The phenomenon in this study was that predominate IFRS skills are not being consistently taught in the accounting curriculum, which will have a negative effect on the quality of accounting professionals. Therefore, the curriculum theory is important to the learning of IFRS, starting with educational facilities. Directors at educational facilities must ensure that instructors and professors have adequate knowledge of IFRS to successfully teach accounting students (Yallapragada, Toma, & Roe, 2011). Instructors can then feel comfortable that their students have received ample knowledge of IFRS to obtain a job. Current literature described the issues of the convergence such as the timeline,

accounting curriculum, and the differences between U.S. GAAP and IFRS. The information on noted IFRS skills provided the basis for the survey found in Appendix A.

The data from the surveys was validated by reviewing the information throughout the research process. The surveys were reviewed after completion and all differences and similarities were noted. The findings was compared to previous research and confirmed.

The study was qualitative and data was generated from surveys of faculty members at universities. The data was collected as accurately as possible, and the use of an online survey ensured that the information was gathered appropriately. The online survey was used to analyze the data. Survey guide (see Appendix A) was used to adequately reflect the information intentionally gathered.

The researcher used ATLAS.ti to analyze the data from the faculty's perspectives. Once the data was verified, it was put into ATLAS.ti to perform coding. Themes were developed for analysis. Once the themes were produced, a description of the findings was developed.

Significance of the Study

This qualitative research provided insight on how pertinent IFRS skills are being taught in the accounting curriculum. Current research mainly focused on the convergence timeline and how IFRS should be included in the accounting curriculum. According to Jones (2009), employer expectations of IFRS knowledge and skills should include the ability to apply IFRS, the preparation of IFRS financial statements, and the reconciliation between IFRS and U.S. GAAP. However, Zhu et al. (2011) noted 30% of instructors spend less than 15 minutes covering IFRS, while 26% spend 15 to 30 minutes on IFRS. The problem that was addressed in this research was that the proposed

accounting standard IFRS is not consistently taught in the accounting curriculum when funding is not provided. Because the adoption of IFRS may be costly for smaller programs, accounting firms opted to provide funding for certain universities (Weiss, 2011). While current research adequately describes how faculty members feel IFRS should be included in the curriculum, it does not evaluate in detail how specific skills are covered in the existing accounting courses. Therefore, this research addressed the topic. The purpose of the curriculum theory was verified by conducting this research, which included detailed information from current literature on the important skills of IFRS, while determining if those skills are taught in accounting courses at universities. The utilization of Yin's (2009) case study research approach helped to provide a new outlook for future research. This research contributed to previous studies by revealing the difference in IFRS curriculum for universities who received IFRS funding and those that did not. The research also evaluated how important IFRS skills are taught in existing accounting curricula.

Summary

The convergence to IFRS is an important topic for the accounting profession. Participants in Munter and Reckers' (2010) research believed that the convergence to IFRS will take place before 2015. Jones et al (2009) qualitative study revealed that employers look for potential employees who have a general knowledge of IFRS with experience in preparing financials based on IFRS, and these skills include IFRS application, IFRS financial statements, and IFRS reconciliation. However, Zhu et al.'s (2011) study revealed that no more than 30 minutes was being spent on IFRS discussion in accounting courses. Weiss (2011) stated that accounting firms provided financial

funding to universities to aid in the inclusion of IFRS in the accounting curriculum. This qualitative study showed how specific IFRS skills, noted by accounting firm management, was included in the accounting curriculum and evaluated by faculty.

Chapter 2: Literature Review

Current literature pertaining to the topic of IFRS focused on the aspects of the convergence and how it relates to companies and the accounting curriculum. Current literature, therefore, adequately addressed each of the components of IFRS illustrated in Figure 1. However, an understanding of the specific skills noted by management concerning IFRS was researched thoroughly, along with inquiring about how those skills are being taught in the accounting curriculum. By addressing the skills, university faculty members can give insight as to how important IFRS skills are being taught in the accounting curriculum. Through this process, university members who have not incorporated IFRS into the curriculum can use this as a guide to successfully implement the change.

The literature review, based on the structure illustrated in Figure 1, includes information on the convergence to IFRS. The review incorporated scholarly articles published between 2006 and 2013. The literature includes nine sections. The first section focuses on the curriculum theory. The second section covers the changes in the accounting curriculum, and it consists of where instructors and other accounting professionals think the discussion of IFRS should be included in the accounting curriculum. It also consists of other concerns that may hinder the process of including IFRS in the curriculum, such as the inclusion of the topic in the CPA exam and the lack of published material on IFRS. The third section covers the major differences between GAAP and IFRS, such as principles versus rules-based accounting and transactional differences. It also discusses the ethical information risk, forecast accuracy, the Clarity Project, and ethical considerations. The broad skills noted by employers, covered in the

fourth section, include a limited discussion on what skills and knowledge is important for accountants entering the profession. The advantages and disadvantages of the convergence are discussed in the fifth section, titled reasons for the convergence. It also covers the objectives of accounting standards. The sixth section is the cost of the convergence. The factors of cost are employee training and fees, which will cost millions of dollars and many hours of work. The seventh section discusses the convergence timeline, with emphasis on the roadblocks and the milestones of the convergence. The convergence affects small companies differently than bigger companies, and these differences are covered in the eighth section of the review. The final section covers how IFRS is affected by the government.

Documentation

Research articles were obtained for use in the following literature review through subject and keyword searches of multiple databases. Subject search utilized IFRS as the primary filter with in-text keyword searches of curriculum, history, employers, skills, and financial statements. To reduce the search space further, only scholarly, peer-reviewed articles published within the past five years were included in the final listing of articles. Table 1 illustrates the breakdown of articles used in the literature review.

Table 1: Breakdown of Articles Used in Literature Review

Search Criteria	Found	Used
Subject: IFRS	40,950	35
Subject: Convergence to IFRS	547	28
Subject: IFRS, Keyword "curriculum"	129	7

Subject: IFRS, Keyword "employers"	128	15
Subject: IFRS, Keyword "politics"	151	3
Subject: IFRS, Keyword "advantages and disadvantages"	147	23
Subject: IFRS, Keyword "conversion costs"	141	5
Subject: IFRS, Keyword "SMEs"	11	6
Subject: Accounting theories, Keyword "curriculum theory"	1676	5

In many cases, articles found within the subject research IFRS also came up during keyword searches resulting in an overlap between the searches. To eliminate article overlap, each article was primarily assigned to a category based on content.

Curriculum Theory

The curriculum theory recognizes that the convergence to IFRS will affect educational facilities (Gornik-Tomaszewski & Showerman, 2010). Educational facilities are responsible for ensuring that their students receive the necessary skills to perform in the profession of their choice. Therefore, the accounting divisions of the facilities must include IFRS in the existing curriculum, while including the necessary skills noted by accounting firms. Zhu et al. (2011), Bates et al. (2011), Jackling, Howieson, and Natoli (2012), and Davidson and Francisco (2009) all agree that the convergence to IFRS will affect the accounting curriculum. Previous research concluded that instructors spend between 15 and 20 minutes on IFRS in accounting courses (Zhu et al., 2011). Bates et al. (2011) also stated that international accounting courses are not mandatory, but can be chosen as an elective. Many instructors are reluctant to include IFRS in their curriculum because of curriculum space, aging faculty, lack of textbook support, and lack of IFRS

inclusion on the CPA exam (Jackling, Howieson, & Natoli, 2012). The students may be reluctant to learn a new standard because of an increase in the accounting sequence of classes (Davidson & Francisco, 2009).

Many instructors believe that the most effective way to disclose key objectives within a curriculum is to identify the desired outcomes in the beginning of the course, which is the purpose of backward curriculum theory (Cho & Tent, 2005). Jones et al. (2009) stated that important IFRS skills include the ability to apply IFRS, prepare of IFRS financial statements, and reconcile between IFRS and U.S. GAAP. Therefore, this study highlighted the theoretical significance of the curriculum theory, as it will focus on how accounting firm required IFRS skills are being taught at universities, while comparing the curriculum of universities that received IFRS funding and universities that did not receive IFRS funding.

Changes in Accounting Curriculum

A dire learning curve will be inevitable for the accounting profession as all companies, both small and large, will eventually convert to IFRS (Wright & Hobbs, 2010). The U.S. Securities and Exchange Commission has made the decision to convert from U.S. Generally Accepted Accounting Principles (GAAP) to IFRS, but the date of the convergence has not been determined (Wright & Hobbs, 2010). A change in standards is just as important for the education of accountants as it is for companies. The American Institute of Certified Public Accountants is trying to determine how CPA's, companies, and investors can understand and be educated on international standards (Melancon, 2010). The convergence to IFRS has a major effect on the accounting curriculum. More faculty members believe that the convergence will resemble GAAP

standards more so than IFRS standards (Zhu et al., 2011). In order for the convergence to be successful, the two sets of standards must be compared in the classroom.

Although accounting students can elaborate on the skills learned, they may not understand the linkage between certain concepts. For instance, accounting students ranked operations management as slightly important, which proves that they do not understand the correlation between operations management and cost accounting, and that includes overhead, product costing, and inventory valuation (Parham, Noland, & Kelly, 2012). This change may force students to think fundamentally and develop and exercise their judgment, while attracting students with powers of abstraction to the field (Sunder, 2009).

Most colleges and universities are accredited by an accreditation agency. The accreditation of business programs includes defining the programs' learning goals and objectives, aligning the curriculum with the goals, identifying the measures, analyzing the data, and using the data for improvement (Mintz, 2010). Mintz (2010) and Coetzee and Schmulian (2012) agree that international accounting must be strategically placed in the accounting curriculum. International accounting courses are included in curricula to (1) enhance students' global orientation, (2) recognize the differences between the U.S. and other countries' financial statement content, (3) enhance class discussions, and (4) increase the desirability of students (Mintz, 2010). Two teaching approaches, the teacher-centered pedagogy and the student-centered pedagogy were reviewed. The teacher-centered pedagogy is based on lectures where the student is expected to absorb the knowledge (Coetzee & Schmulian, 2012). The student-centered pedagogy encourages students to think critically and the ability to make professional judgments

(Coetzee & Schmulian, 2012). It was determined that the teacher-centered approach plays a role in the success of professional accounting, and IFRS teaching is within the teacher- and student-centered pedagogy (Coetzee & Schmulian, 2012). In order to achieve these skills, the methods of teaching can include simulations, problem-based and cooperative-based learning, case analyses, oral presentations, and role plays (Coetzee & Schmulian, 2012).

Because IFRS is part of the accounting vocabulary, it is not being included in the CPA exam (Kinkela, Harris, & Malindredos, 2010). The inclusion of IFRS in the CPA exam means that educators must put forth more effort to ensure that their students are receiving the necessary knowledge to successfully past that portion of the test. Colleges and universities will have to incorporate IFRS into the accounting curriculum, and the training materials will have to be regulated (Thomas, 2009). Zhu et al. (2011) showed that respondents believed the current teaching materials are inadequate when including IFRS. Munter and Reckers (2009) ascertained that 52% of participants in a study believed graduates would have knowledge of IFRS by 2011, whereas 48% stated it would be after 2012.

Other researchers have reviewed the current curriculum to gauge the inclusion of IFRS (James, 2011; Munter & Reckers, 2009; Zhu et al., 2011; Bradshaw et al., (2010). James (2011), while not noting information on the sample included in his research, believed that the standard should be integrated into the accounting curriculum and the students must be motivated to learn. The issues that exist with including IFRS in the curriculum are faculty shortage, competing market demands, the retraining of faculty, and lack of textbook support (Munter & Reckers, 2009). Because of retirement, the number

of faculty has diminished and the number of doctoral students has also been reduced. Therefore, faculty shortages have occurred (Munter & Reckers, 2010). Zhu et al. (2011) noted 30% of instructors spend less than 15 minutes covering IFRS, while 26% spend 15 to 30 minutes on IFRS. Research conducted by Bradshaw et al. (2010) concluded that 62% of professors have not taken any significant steps to include IFRS in the curricula, and the first graduating class to have knowledge on the topic will be the class of 2011.

Educators have been hesitant about including IFRS in the curriculum for a number of reasons. The first issue is that there may not be enough room in the curriculum to add IFRS (Jackling et al., 2012). This issue arises because IFRS is different for large for-profit, small to medium, and private not-for-profit companies (Jackling et al,, 2012). The second issue with the convergence is that the accounting faculty is aging, and they will not be willing to learn new standards if they are close to retirement (Jackling et al., 2012). Also, textbook publishers are not willing to develop new material until the Securities and Exchange Commission mandates the adoption (Jackling et al., 2012). The administrators of the universities are also not aware of the impact of IFRS (Jackling et al., 2012). The last issue is that the accounting courses are designed to train students for the CPA exam, and if IFRS is not included on the exam, the curricula will not be changed (Jackling et al., 2012).

To incorporate IFRS, Bates et al. (2011) examined the current accounting curricula and IFRS and determined none of the undergraduate programs in the study required an international accounting course and seven programs offered it as an elective. Two of the master's programs required the course, and 12 programs offered elective courses (Bates et al., 2011). No doctoral programs offered any international accounting

courses (Bates et al., 2011). Davidson and Francisco (2009) concluded students need an opportunity to cover the increasing amount of information, but 60% of the universities in their study still used the two-course intermediate accounting sequence and they did not plan to change, whereas 20% of the universities changed to a three-course sequence.

Fajardo and Merrill (2010) discussed four methods of incorporating IFRS into the accounting curriculum: as a separate course, as part of every course, in intermediate and advanced accounting, and in advanced accounting only. Fajardo and Merrill (2010) showed that curricula should include IFRS in both intermediate and advanced accounting courses. Some universities have incorporated IFRS in the current curriculum by discussing the differences between GAAP and IFRS in the lower level, intermediate, and advanced accounting courses (James, 2011). Jones et al. (2009) revealed that 34% of their respondents preferred to have IFRS covered in all accounting courses, approximately 21% believed IFRS should be in the course work, approximately 15% recommended including IFRS in the intermediate accounting courses, and approximately 19% believed IFRS should have its own course. Munter and Reckers (2009) showed that 89% of instructors believed that IFRS should be in intermediate accounting courses, and 72% stated it should be in the advanced accounting courses. Kinkela, Harris, and Malindredos (2010) reported IFRS should be in the introductory accounting courses only, but the authors did not discuss how the information from the study was analyzed. In a study conducted by Srivastava and Bhutani (2012), 100 respondents made up of academicians, finance professionals, auditors, and accountants, believed that e-learning and interactive workshops are the most effective way of learning IFRS.

Differences between GAAP and IFRS

The differences between GAAP and IFRS stem from all aspects of the standards and should be taught in the accounting curriculum to better understand reconciliations, differences, and similarities between IFRS and U.S. GAAP. These aspects include principles versus rules-based, forecasting, financial statements, ethics, and transactional differences. The standards for GAAP are approximately 25,000 pages long, while the standards for IFRS are 2,400 pages (Thomas, 2009). A descriptive-quantitative regression and correlation analysis of 33 English companies on the New York Stock exchange were conducted by Beuren, Hein, and Klann (2008). The researchers proved that reducing or eliminating the information asymmetry that is disclosed in reports according to different countries is very difficult for accounting agencies (Beuren, Hein, & Klann, 2008). Also, the main causes of the differences in financial reporting are due to the country's legal system, the stock market, and the influence of professional accounting (Beuren et al., 2008). The differences between the standards are important when deciding if one standard should be chosen over the other, but there may be other elements not considered in the study that may cause differences.

Convergence is the process of practicing standards that have already been set (Payne & Ranagan, 2008). The comparable accounting and financial information is the logical step for continued support and advancement of businesses (Gordon, 2008); however, in a quantitative regression analysis of 591 German companies, Ernstberger, Krotter, and Stadler (2008) concluded that adopting other standards can affect accounting data. This study may not apply to other areas of the world. The Financial Accounting Standards Board and the International Accounting Standards Board establish standards in

similar ways. The due process of setting standards generally include: (a) identifying and review issues, (b) studying national accounting requirements, (c) consulting the Standards Advisory Council, (e) forming an advisory group, (f) publishing a discussion document for the public, (g) publishing an exposure draft for the public , (h) publishing a basis for conclusion in an exposure draft, (i) considering all comments received, (j) considering, and if applicable, holding public hearings and conduct field tests, (k) approving the standards, and (l) publishing the due process and how the International Accounting Standards Board deal with the comments (Stanko & Zeller, 2010).

Lui et al. (2011) conducted a quantitative regression analysis on the impact of IFRS in a regulated China market by reviewing the financial information of 870 firms from different industries, and the results were a decrease in earnings and an increase in value relevance to stock price and return. Therefore, the quality of accounting significantly improves with the adoption of IFRS (Liu et al., 2011).

> By truncating convergence and adopting IFRS, the SEC would be significantly reducing its influence over the accounting rule-making body for U.S. registrants. As a result, this will lead to a higher likelihood of standard-setting 'carve outs' enacted by the SEC, thereby diminishing the true convergence achieved by adopting IFRS (Bradshaw et al., 2010, p. 125).

 This statement proves that more leniencies will be given to the preparers to make more independent decisions.

The analyses of IFRS and GAAP are different (Benzacar, 2008; Collins, Pasewark, & Riley, 2012; Bohusova & Nerudova, 2011; Sunder, 2009; Bradshaw et al., 2010). The main difference between IFRS and GAAP is that IFRS is more principles-

based whereas GAAP is rules-based (Benzacar, 2008); however, to some extent both standards are rules-based as they consist of rules to follow for specific transactions (Collins, Pasewark, & Riley, 2012). Bohusova and Nerudova (2011) also noted in a comparative analysis that the major difference between GAAP and IFRS is that IFRS is based on basic accounting principles with limited application guidance and GAAP is based on rules with specific application guidance. In order for the convergence to be successful, it would be helpful to know the difference between rules and principles in the context of what the Financial Accounting Standards Board and the International Accounting Standards Board have defined them (Sunder, 2009). Principles seem to be more concise and forces judgment in its application, which varies greatly across situations and individuals, when compared to rules (Sunder, 2009). Financial statement preparers will report less aggressively under a more principles-based standard than under a more rules-based standard (Bradshaw et al., 2010). Collins et al (2012) conducted a quantitative matched-pair design to investigate 186 firm-year investigations of Fortune Global 500 companies. Individuals who favor rules-based standards believe that they reduce diversity in applying standards, which leads to consistency (Collins et al., 2012). Individuals who are critics of rules-based standards believe that the standards encourage firms to structure transactions while avoiding the intent of the rules (Collins et al., 2012). The supporters of principles-based standards assert that when trained professionals apply good judgment, the chances of varied interpretation decreases (Collins et al., 2012). The avengers of principles-based standards feel strongly that the standards lead to more diverse financial conclusions (Collins et al., 2012). However, comparability is a desired characteristic that may cause a lack in reliable evidence.

Another difference between IFRS and GAAP is the measurement of income (Gray, Linthicum, & Street, 2009; Bradshaw et al., 2010; Green, 2008; Markelevich, Shaw, & Weihs, 2010; Horton & Serafeim, 2009). IFRS-income measures are higher than U.S. GAAP income measures (Gray, Linthicum, & Street, 2009). The average mean difference between IFRS and GAAP net income is 3.07 (Bradshaw et al., 2010). In a study conducted by Lobingier and Green (2008), they found that that net income under IFRS ranged from 337% below GAAP income for the same company to as much as 876% higher than GAAP. Markelevich, Shaw, and Weihs (2010) stated that it is possible to see a 15% reduction in net income after the convergence. The market responds negatively to firms disclosing lower earnings under IFRS when compared to GAAP (Horton & Serafeim, 2009). The market also shows that positive adjustments are value-relevant before and after disclosures, but negative adjustments are value-relevant after disclosures (Horton & Serafeim, 2009).

The comparability of financial statements is influenced by political, economic, legal, taxation, and corporate financing system, along with profession and religion (Cole, Branson, & Breesch, 2011). This was determined by a qualitative survey completed by 426 analysts, auditors, and other users of European IFRS statements (Cole, Branson, & Breesch, 2011). Ernst and Young (2012) gave a detailed report of the major differences and similarities between IFRS and GAAP by noting that both standards require the balance sheet, income statement, and cash flow with notes to the financials. However, shareholder's equity is reflected in the notes to the financial statements under GAAP, but it is presented as a separate statement under IFRS (Ernst & Young, 2012). Heino and Fontana (2011) contended that the balance sheet will not have assets and liabilities under

IFRS, but will have operating, financial, and investing assets and liabilities, netted separately. The income statement will also have operating, investing, and financing sections, followed by income taxes and discontinued operations (Heino & Fontana, 2011). There is no distinction between revenues and expenses on the IFRS income statement (Smith, 2012). The direct method of IFRS will be used to complete cash flow statements (Heino & Fontana, 2011). This means that interest paid, interest received, and dividends received are not accounted for as operating (Smith, 2012). Research by Cole et al. (2011) concluded that IFRS financial statements are not as comparable as they seem at first. In a quantitative study of 38 New Zealand Stock Exchange firms by Morunga and Bradbury (2012), 92% of the sample stated that their financials section increased. This equated to an average increase of 24% (Morunga & Bradbury, 2012). For instance, at the end of 2005, Australian companies estimated the effect of the convergence to IFRS on the balance sheet at $17 billion, which is equivalent to a 3% downgrade on earnings per share (Chand & Cummings, 2008). Coca-Cola Amatil reported a $1.9 billion decrease in intangible assets, with a $343 million hedge accounting effect (Chand & Cummings, 2008). However, these studies did not include the impact the new statements would have on user decision-making.

The adoption of IFRS will also change the association between share prices and accounting information (Chalmers, Clinch, & Godfrey, 2011). Chalmers et al. (2011) concluded that value relevance of shareholder's equity during the transition to IFRS remains constant when compared to pre-IFRS, but the value relevance of earnings increases after the adoption of IFRS. The return on equity, return on assets, price earnings ratio, and the book to market ratio are just a few important ratios that will be

affected by the convergence (Heino & Fontana, 2011). Markelevich et al. (2010), coinciding with the Heino and Fontana (2011), also noticed that significant changes were noted on the balance sheet and income statement, as well as key financial ratios, when GAAP reporting is compared to IFRS reporting. Therefore, the economic and financial health of firms may not change after the convergence, but the effects of the convergence will be long-lasting (Heino & Fontana, 2011).

If investors choose which companies they would invest in by the ranking of the companies, the companies picked would be different when comparing GAAP to IFRS because of the difference reporting standards (Markelevich, Shaw, & Weihs, 2010). Researchers believe that IFRS will inflate financial information, which could potentially mislead investors (Thomas, 2009). Misleading investors can lead to financing for undeserving companies.

Converging from GAAP to IFRS also includes key transactional differences such as consolidation, long-term assets, research and development, interest expense, marketing costs, revenue recognition, leases, financial instruments, consolidations, de-recognition, fair value measurement, employee benefits (American Institute of Certified Public Accountants [AICPA], 2010); Horton and Serafeim's (2010) differences included share-based payments, taxation and goodwill, and Markelevich et al.'s (2010) differences included financial statement presentation, and financial instruments with equity characteristics. However, Horton and Serafeim (2010) did not discuss any cash flow effects. Jones et al. (2009) stated that the key differences in the accounting principles appear in current debt covenants, development costs, and gains on leasebacks. Tsalavoutas and Evans (2010), while not discussing how the new financial statements

had an effect on users' decision making, conducted a study on 238 companies from the Athens Stock exchange, and concluded that shareholder equity and net income were positively affected, whereas gearing and liquidity were negatively affected. For instance, LIFO is not recognized under IFRS, and this change will cause companies to owe a large amount of money (Thomas, 2009). The problematic areas of comparability are derivative financial instruments, fair value measurement, impairment of financial assets, critical judgments, and key sources of estimation uncertainty and goodwill (Cole et al., 2011). American Institute of Certified Public Accountants [AICPA] (2008) stated that the most significant differences between GAAP and IFRS is that under IFRS, LIFO inventory costing and the curing of debt covenant violations is not permitted, IFRS uses a single-step method for impairment write-downs, there is a difference in probability threshold and measurement objectives, and IFRS has less extensive revenue recognition guidance. With IFRS, the transactions will be based more on the substance of the transaction rather than just ensuring that rules are being followed (Wright & Hobbs, 2010).

Both standards are prepared on the accrual basis of accounting and have similar concepts regarding materiality (Ernst & Young, 2012). The definition of consolidation is based on control, but GAAP has limited exceptions for investment companies (Ernst & Young, 2012). Both standards define inventory as assets held for sale for sale or production, and the cost of inventory includes direct expenditures (Ernst & Young, 2012. Inventory is also measured by the lower of cost or market for GAAP, but by the lower of cost or net realizable value for IFRS (Ernst & Young, 2012). For both standards, the cost, capitalized interest, depreciation, and assets held for sale are treated the same, but the revaluation, depreciation of asset components, and measurement of borrowing costs

are treated differently (Ernst & Young, 2012). The authors successfully described how the convergence to IFRS will affect financial statements.

The changes to International Accounting Standards Board include composition, independence and monitoring, sufficient and stable funding and staffing, and the elimination of cross-jurisdiction differences dealing with endorsement, interpretation, and enforcement processes (Persons, 2009). The five key issues raised by the Securities and Exchange Commission on the convergence proposal are (a) the overstatement of the need for a global standard, (b) standard setters should focus more on auditing, (c) regulatory actions should not be amended while changes are made to the International Security Advisory Board because the funding is primarily from public funds, (d) reconciliations should not be costly and unnecessary because the financial statements prepared using IFRS are almost the same as those prepared using U.S. GAAP, and (e) more attention on the consequences of education and professional judgment is necessary while discussing the convergence to IFRS (Jamal et al., 2010).

Even though the U.S. will choose a single set of standards, there are still issues that may arise. Each company must be aware of these issues to minimize the total risk of the convergence. The four vulnerable factors of the International Accounting Standards Board are: (a) political lobbyists attempting to censor onerous requirements for accounts, (b) the influence of the U.S. due to its historical significance of its authorities and the impact of its economy, (c) possible accounting scandals stemming from the misapplication of open-ended principles, and (d) multiple interpretations of the standards due to different cultures (Sacho & Oberholster, 2008).

The convergence will also affect companies ethically (Sadowski & Thomas, 2012; Spalding & Oddo, 2011). Universal human values and common themes are global basic ethics (Sadowski & Thomas, 2012). Sadowski and Thomas (2012) believed that universal human values include love, truthfulness, fairness, freedom, unity, tolerance responsibility, and respect for life. The harmonization of ethics included information from authoritative bodies, and the harmonization of U.S. and International Federation of Accountants codes included a work plan (Sadowski & Thomas, 2012). The International Federation of Accountants conducted surveys on the improvements of the adoption of the code, compared key provisions between the standards, and facilitated convergence efforts (Sadowski & Thomas, 2012). The American Institute of Certified Public Accountants provided guidance for ethical and independence issues (Sadowski & Thomas, 2012). Spalding and Oddo (2011) compared the definitions of objectivity, integrity, inquisitiveness, loyalty, and trustworthiness for the International Federation of Accountants and the American Institute of Certified Public Accountants and concluded the American Institute of Certified Public Accountants' code is inadequate and principles-based ethics is better for the accounting profession than the current rules-based ethics. However, they failed to suggest how to ensure that the new virtues can be taught to existing and future accountants. The American Institute of Certified Public Accountants required that conflicts of interest be avoided, but the International Federation of Accountants stated that professional or business judgment should not be compromised because of bias, conflict of interest or undue influence of others (Spalding & Oddo, 2011). Integrity includes honesty and courage, and the International Federation of Accountants went further to force accountants to strive for absolute truth telling

(Spalding & Oddo, 2011). The American Institute of Certified Public Accountants defined diligence as competence, due professional care, planning and supervision, and gathering of sufficient relevant data, while the International Federation of Accountants added professional knowledge and skill, sound judgment, thoroughness, timeliness, carefulness, and transparency (Spalding & Oddo, 2011). Both the American Institute of Certified Public Accountants and the International Federation of Accountants defined loyalty as the duty of confidentiality (Spalding & Oddo, 2011). Trustworthiness is the enforcement rule, and the International Federation of Accountants requires accountants be mindful of circumstances, habits, behaviors, and other conditions that are against fundamental principles (Spalding & Oddo, 2011). Spalding and Oddo (2011), described the five virtues, but they did not give any suggestions on how the virtues can be taught to existing and future accountants.   Spiritual capitalism is also part of global ethics, as it is wealth that is gained upon deep meanings, values, fundamental purposes and motivations (Sadowski & Thomas, 2012). The American Institute of Certified Public Accountants is ensuring the ongoing efforts of the convergence by continuing to educate its members, working with educators, textbook publishers, and universities on the preparation of the curriculum, communicating the opinions of the U.S. CPAs, and incorporating IFRS questions on the CPA exam (AICPA, 2008).

The use of XBRL is expanding across the globe to enhance transparency and reduce complexity (Melancon, 2010). XBRL will be helpful with the convergence because it can support both GAAP and IFRS, and it captures the differences in the accounting principles at the trial balance or transaction level to be reflected in the financial statements (AICPA, 2010). The adoption of XBRL is inconsistent between the

companies who can endure the issues of incorporating new technology and are not concerned with their return on investment, versus the companies who are more aware of costs (Gray & Miller, 2009).

The American Institute of Certified Public Accountants is also inquiring about the mobility of CPAs so that they can work outside of their home base, and it has given professionals an opportunity to voice any opinions to the legislation about the financial regulatory system (Melancon, 2010). The American Institute of Certified Public Accountants has also given information on the importance of managing money (Melancon, 2010). The priorities and strategies reflect the operations of a global environment. Djatej et al (2012) conducted a least squares regression analysis on 138 CPAs and other accounting professionals. It was concluded that with IFRS, judgment lies with the preparers and auditors, which allows the flexibility to improve transparency, but also increases the risk of inconsistency (Djatej et al., 2012). However, the participants were taken from a single community, which could limit the applicability of the study; the rationale for using judgment has to be documented (Wright & Hobbs, 2010).

Differences in accounting disclosures may stem from the cultural differences between developed and underdeveloped countries (Buys, Schutte, & Andrikopoulos, 2012; Cole et al., 2011, Fajardo & Merrill, 2010). This conclusion was arrived from the quantitative study of 301 final-year accounting students at the North West University of South Africa (Buys et al, 2012). The sample may not be viable because it can be perceived as representing on role players in accounting. Companies in different countries report differently, have different ways of conducting business, and possess different

economic and political influences (Cole et al., 2011). Educators face the challenges of significant changes in the global environments, non-international focus of accounting students, and the resistance of change if the convergence ever takes place (Fajardo & Merrill, 2010). Other non-cultural factors that relate are company size, capital structure, financial leverage, market capitalization, profitability, and return on equity (Cole et al., 2011).

There are four aspects of globality: internationality, liberality, universality, and supraterritoriality. Internationality is the increase of trading goods, services and people across boarders (Chua & Taylor, 2008). Liberality exists because of the low levels of tariffs, foreign exchange regulations, capital controls, and visa requirements for cross-border transactions (Chua & Taylor, 2008). Universality succeeds when practice, symbolic objects, and experiences are common across the globe (Chua & Taylor, 2008). Finally, the ability of external forces such as climate and telecommunications for communication is supraterritoriality (Chua & Taylor, 2008). Because of the increase in globalization, there is a higher social demand for more disclosure (Chua & Taylor, 2008).

A company's cost of capital can depend on better disclosure (Hail, Leuz, & Wysocki, 2010). A better disclosure can also lower estimation risk, which reduces the required rate of return for securities (Hail et al., 2010). Also, a better disclosure has the ability to improve risk sharing by making investors aware of securities, which reduces the cost of capital (Hail et al., 2010). However, the information disclosed for one company may not be useful for other companies, but it may reduce agency problems (Hail et al., 2010).

Broad Skills Noted by Employers

To fill the gap between what employers expect for students to know about IFRS and what they are being taught, one must recognize the specific skills and knowledge necessary for employment. Employers do not hire based on educational levels; rather, they hire based on communication and computer skills (Metrejean et al., 2008). Also, communication and computer skills are important, but the qualification to take the CPA is not important (Metrejean et al., 2008). Jones et al. (2009) showed that employers expect accounting graduates to have a conceptual understanding of IFRS, which includes contrasting rules-based and principles-based accounting approaches. The basis for ensuring that the potential employees have this knowledge is not known because the requirements are too broad.

In 2013, potential employees should be able to prepare basic IFRS-based financials (Jones et al., 2009). Graduates must also have some form of awareness of IFRS and be able to reconcile to GAAP (Jones et al., 2009). Jones et al. (2009) conducted a survey of employers that planned to hire accounting undergraduates. Thirty-five percent preferred to have IFRS covered in all accounting courses, 21% believed that IFRS should be included in the coursework, 15% recommended including IFRS in the intermediate accounting courses, and 18% believed that IFRS should have its own course (Jones et al., 2009). The American Institute of Certified Public Accountants believed that international standards should be introduced to entry-level accountants (Thomas, 2009). Jones et al. (2009) also stated that pertinent IFRS skills, noted by employers, includes IFRS application, IFRS financial statements, and reconciliation between IFRS and U.S. GAAP.

Approximately 65% of CPAs state that they have some knowledge of IFRS, but more learning is needed (Djatej et al., 2012). A majority of CPAs (55%) are preparing for the adoption to IFRS (Mintz, 2010). Although many employees are aware of IFRS, they do not fully understand the content (Srivastava & Bhutani, 2012). The skills noted by employers are somewhat different than those noted by students. Parham et al. (2012), coinciding with the study by Djatej et al. (2012), Mintz (2010), and Srivastava and Bhutani (2012) researched the perceptions of accounting majors as they pertain to career skills. Of the skills noted, motivation and decision-making were ranked as the most important (Parham et al., 2012). Other skills that were important were oral communication, professional demeanor, leadership, and teamwork (Parham et al., 2012). The top skills noted for all business majors that were important were analytical/critical thinking skills, interpersonal skills, and written communication (Parham et al., 2012).

The employees of the companies must also understand that there will be a need for added coverage for five areas. The first area is judgment. Judgment is a company's view on how to apply the standards to each accounting scenario (Wright & Hobbs, 2010). Each company will be required to give an explanation of how it arrived at its judgment for each scenario, which is the second area (Wright & Hobbs, 2010). The third area is authority. This pertains to management and directors who approve the rationale and to whom questions and issues should be directed (Wright & Hobbs, 2010). The company's consideration on which locations and business units the accounting applies to is applicability, which is the fourth area (Wright & Hobbs, 2010). The final area is process, which is the areas of the business that must be tested to ensure that the policies and procedures are established (Wright & Hobbs, 2010).

Accounting students are usually equipped with good professional ethics, interpersonal and communication skills, auditing skills, and distribution skills based on cultural values (Chaker & Abdullah, 2011; Mintz, 2010). However, skills in financial accounting, management accounting, and taxation are weaker, but no specific ways to help increase the skills are noted (Chaker & Abdullah, 2011). With GAAP, student skills are based on particular rules (Mintz, 2010). With IFRS, student skills must be revamped to include preparing and interpreting financial statements for both standards (Mintz, 2010). Students must also realize that the accounting rules can vary depending on the country and the cultural values of the society (Mintz, 2010).

Many of the big accounting firms have created learning resources for employees, as well as students. However, the convergence to IFRS is influenced by history, geography, economic and political systems, education, and language (Buys, Schutte, & Andrikopoulos, 2012). Education, culture, and social beliefs may aid in shifting current perceptions while facilitating the evolution of accounting (Buys et al., 2012). Culture dictates the accounting profession and the cognitive functioning of individuals, which means that it is the most powerful environmental factor (Buys et al., 2012).

Reasons for the Convergence

The comparability of financial statements is the key reason to consider the convergence (Bradshaw et al., 2010; Mortunga & Bradbury, 2012; Srivastava & Bhutani, 2012; Sunder, 2009). The main objectives of accounting standards, as proven by conducting a study on 100 academicians, finance professionals, auditors, and accountants, are; (a) to standardize accounting policies to eliminate the extent of non-comparability of financial statements, (b) to bring uniformity, and (c) to help with

decision-making (Srivastava & Bhutani, 2012). However, some of the questions could not be answered because of the lack of the participants' level of knowledge. Standard setters focus on the readability and the load of financials (Morunga & Bradbury, 2012). Information overload occurs when the supply of information outweighs the company's ability to process the information in an allotted timeframe (Morunga & Bradbury, 2012). The qualities of a good standard include length, specificity, generality, readability, and reliability (Sunder, 2009). High-quality standards that are based on principles may generate financial reports that are more useful and comparable across firms, industries, and countries (Sunder, 2009).

The overall purpose of a convergence is to adapt to another standard. The purpose of converging to IFRS is to provide the companies that operate internationally as well as domestically with a set of unified standards. The decision to convert to IFRS was based on seven milestones:

- Improvements in accounting standards
- The accountability and funding of the International Accounting Standards Committee Foundation
- Improvements in the ability to use interactive data for IFRS reporting
- Education and training in the U.S. relating to IFRS
- Limited early use of IFRS, beginning with filings in 2010, where this would enhance comparability for U.S. investors. Eligibility would be based on both the prevalence of the use of IFRS and the significance of the issuer in a given industry. The SEC estimates that a minimum of 110 companies could be eligible

- The anticipated timing of future rulemaking by the Commission

- Implementation of the mandatory use of IFRS, including considerations relating to whether any mandatory use of IFRS should be staged or sequenced among groups of companies based on their market capitalization (Paul & Burks, 2010, p. 3).

The rationalization of accounting policy-makers and the market are what initiates changes (Bengtsson, 2011). The goals of changing standards are based on efficiency and growth (Bengtsson, 2011). Adaption includes the modification of standards to fit the need of a particular country (Payne & Ranagan, 2008). There is, however, a definitive difference between adoption and convergence. Adoption is the use of a standard over another standard, whereas convergence is a process where two standards are aligned (Nobes & Zeff, 2008).

In 2009, the Clarity Project was created by an education committee to conduct a program than enhances the clarity of international standards by creating and applying new conventions while revising existing standards (McPeak, Pincus, & Sundem, 2012). The Clarity Project is a plan to convert to IFRS so that standards are easier to read, understand, and apply, and it will improve the code of professional conduct so that it is topical and easier to use, while minimizing the risk of misapplying the rules (Melancon, 2010). The project consisted of two objectives. The first objective was to find fundamental principles of auditing that were incompletely realized, officially abandoned and subsequently covertly pursued in revisions (Dennis, 2010). The second objective was to disseminate standards that were objective- or principles-based (Dennis, 2010).

Advantages. There are many advantages and disadvantages to converging to IFRS. Two of the benefits of international accounting standards are harmonization and globalization (Beke, 2010; Benzacar, 2008; Street, 2008). Harmonization is the compatibility of the different standards that results in one set of high-quality standards (Payne & Ranagan, 2008). For instance, the international standards may promote or restrain financial innovation (Beke, 2010). Harmonization can occur in two ways, in practices and in norms (Beuren et al., 2008). Harmonization in practices is the harmonization of fact and is the effective application of accounting recommendations to local practices (Beuren et al., 2008). Harmonization in norms is the harmonization of law and it the determination of accounting procedures obligatory, permitted, or prohibited by the incorporation of national legislation (Beuren et al., 2008). The relationship between the International Accounting Standards Board and Financial Accounting Standards Board is preferable as a strategy for converging to IFRS (Bradshaw et al., 2010). Globalization is the growing of multinational economic integration which is measured by the evolution of commerce and the relationships between countries, and people's adherence to global organizations (Albu et al., 2011).

Heino and Fontana (2011) believed that the convergence to IFRS affects financial statement analyses dealing with comparability, consistency, and transparency. International accounting standards will create more transparency that will provide investors with more accurate information on companies (Beke, 2010). The use of XBRL is expanding around the world to enhance transparency and reduce complexity (Melancon, 2010).

The financial statements prepared according to IFRS are supposed to provide a faithful representation of the firm's financial position and financial performance by assigning importance to the economic substance of events. The more complete, detailed and analytical disclosure requirements provided by the IFRS, the easier it is for the investors and other users of the firm's financial statements to evaluate its financial position and financial performance (Naoum, Sykianakis, & Tzovas, 2011, p. 61).

Multinational companies will only have to comply with one accounting standard, which means a decrease in transactional costs and costs of capital, and an increase in enterprises' earnings (Beke, 2010). The stock markets will become more integrated if there are global accounting standards (Beke, 2010). The convergence will also include the better financial information for shareholders and regulators, increased security over cross-border listing, and better management of operations (Gordon, 2008). Therefore, the convergence to IFRS can help business management.

Ehoff and Fischer (2012) also listed five benefits of converging: (a) the principle-based approach is considered simpler, which gives accountants a degree of judgment, (b) it will be easier to compare financial statements globally, (c) presenting financial statements will be simplified because of the use of one accounting standard, (d) certified public accountants and other professionals would become more mobile across countries, and (e) the quality and reliability of audits would improve. Persons (2009) believed that the benefits of converging are fewer costs associated with accessing foreign capital markets, the elimination of dual reporting for U.S. companies, an enhancement of comparability between companies and their foreign competitors, and a reduced

probability of fraud. The determination of early adoption of IFRS should be based on the comparability of global industry financial reporting (Bradshaw et al, 2010). Naoum, Sykianakis, and Tzovas (2011) stated that the benefits of converging to IFRS relate to the quality of information and the comparability of the financial statements

Other countries that have adopted IFRS noted that the general perception of preparers, auditors, investors, and enforcers is an improvement in comparability, quality, and transparency, an increase in the understandability of financial statements, and even though IFRS will be a challenge initially, they will become easier to follow over time (Mintz, 2010). It also gives access to global capital markets, improves the regulatory oversight of financial disclosure, improves economic prospects, and increases access to international markets (Srivastava & Bhutani, 2012). Currently, half of the Fortune 500 companies have subsidiaries that use IFRS (Thomas, 2009).

The adoption of IFRS would affect forecast accuracy by investigating the forecast of financial analysts when applying different accounting principles and the impact that the change in principles would have on forecast accuracy (Ernstberger et al., 2008). For instance, the accuracy of forecasts is higher on IFRS (Ernstberger et al., 2008). IFRS attracts foreign analysts while also improving their forecast accuracy (Tan, Wang, & Welker, 2011). The convergence to IFRS will also attract local analysts, especially those with experience in international accounting (Tan et al., 2011). Forecasts and analyses of companies are positively related to the increase in the level of company disclosures (Naoum et al., 2011).

The success of the convergence will rely on the consideration of the needs of the financial statement users, preparers, auditors, consultants, and contractors and the

avoidance of rules (Payne & Ranagan, 2007). Informed deliberation is the consideration of other standards' issues when deciding on a particular standard (Payne & Ranagan, 2008). If companies are already reporting under their domestic standards, the incentives of the convergence will be minimal, which means that the firms will only say that they follow IFRS but make little change to their reporting practices (Byard, Li, & Yu, 2011).

When company financial statements can be easily compared, the cost of capital decreases because information risks are minimized (Nobes & Zeff, 2008). Many companies have been reporting under IFRS, but not stating what standards they were using, therefore, minimizing their benefits (Nobes & Zeff, 2008). In previous research, foreign private issuers used dual IFRS, which was not very clear. Audit opinions that refer to full IFRS can provide greater clarity for foreign investors (Nobes & Zeff, 2008). The use of dual IFRS could also potentially depart from IFRS causing noncompliance (Nobes & Zeff, 2008). Companies and auditors should consider issuing dual reports that include full IFRS because it would be costless and increase clarity which would benefit international investors (Nobes & Zeff, 2008).

Disadvantages. IFRS has the potential for increased information risk. This risk is defined as the risks that investors rely on materially misstated financials when making investment decisions (Frings et al., 2012). Financial statements should be relevant, faithful, verifiable, timely, understandable, and comparable (Frings et al., 2012). There are several characteristics of IFRS that makes the standards vulnerable to information risks. For instance, the comparability of financial standards does not guarantee the comparability of financial reporting practices due to local differences in economic factors and the interpretation and application of IFRS (Frings et al., 2012). Also, IFRS increases

managerial discretion by increasing representational faithfulness, but managers are allowed more freedom to respond to their reporting motivations (Frings, et al., 2012). This discretion enables the managers to report information that more accurately reflects their company's performance that may be more informative to external parties (Hail et al., 2010). However, the managers may also be tempted to manipulate financial information by obfuscating economic performance, avoiding violations, and underreporting liabilities (Hail et al., 2010). In the future, managers will not be held responsible for their reporting choices and will not be legally liable (Frings et al., 2012).

The market will also respond to an increase in information risk. There are seven reasons why this risk will occur. The first reason is that nonprofessional investors will lose their ability to interpret financial statements, which will lead to a decrease in investments (Frings et al., 2012). This disadvantage leads to the second, an increase in premium, which will be due to a continued increase demand of analysts, equity researchers, business media, credit-rating agencies, and funding companies (Frings et al., 2012). The third disadvantage is that the auditors will adhere to more pressure because of the aggressiveness of the interpretation of daily transactions, as well as increased litigation because of their responsibility of defining and defending the use of imprecise standards (Frings et al., 2012). The fourth disadvantage is that converging from GAAP to IFRS will cause greater timing differences between earnings and future cash flows, which lead to the fifth disadvantage of increased equity price volatility and cost of capital (Frings et al., 2012). The sixth disadvantage is that the trading on short-term price changes will become riskier but more attractive (Frings et al., 2012). The final

disadvantage is that IFRS will have no competition, which will lead to less improvement in reporting standards (Frings et al., 2012).

The majority of foreign issuers do not believe IFRS is better than GAAP and questions why the United States should converge (Kaya & Pillhofer, 2011). Benzacar (2008) concluded in a study on Canada that only public corporations and other enterprises such as government businesses and organizations were immediately affected by IFRS. Also, private Canadian companies that have not issued debt or equity instruments, do not hold assets in a fiduciary capacity, not-for-profit organizations, and public sector entities were affected (Benzacar, 2008).

Clements, Neill, and Stovall (2010) noted the decision to convert to IFRS has a significant negative correlation with a country's size, but cultural variables do not significantly affect the decision to convert. Therefore, it cannot be proven that the decision to adopt is linked to differences in cultures across countries due to the lack of consistent empirical measures (Clements et al., 2010). Lasmin (2011) explained the adoption of IFRS significantly relates to isomorphic changes (social pressures), which contradicted the idea that the adoption corresponds to economic benefits. Therefore, the adoption of IFRS is more motivated by social pressures (Lasmin, 2011). To coincide with Lasmin (2011), Ehoff and Fischer (2012) believe that if the Securities and Exchange Commission decides to reject IFRS, the United States would be viewed as trying to impose its accounting standards on the rest of the world. Therefore, it was proposed that the regulators allow competition between GAAP and IFRS so that the accounting environment is not monopolized (Kaya & Pillhofer, 2011). It also suggests that a treaty is made between the IFRS economies to solve International Accounting Standards Board

funding and oversight problems (Kaya & Pillhofer, 2011). However, Kaya and Pillhofer (2011) did not discuss how politics play an important factor in regulating accounting standards.

Another disadvantage of the convergence is that IFRS and GAAP cannot be compared because there are significant differences. The consequences of converting to IFRS include the initial implementation, adoption costs, acceptance, training, suitability for small and private companies, and financial system functions (Gordon, 2008). If all Securities and Exchange Commission registrants are not given the same option, some companies will be at a competitive disadvantage (Street, 2008). Some researchers believe that one set standard may not be appropriate for all companies, and therefore the improvement of value relevance and reliability among different countries exists (Liu et al., 2011).

IFRS are also not aligned with any particular economic or political institution of any country (Liu et al., 2011). Therefore, some researchers believe that IFRS should be assessed on a country-by-country basis (Liu et al., 2011). For instance, countries that are self-sufficient fair better with IFRS that is based on a microeconomic, shareholder-oriented judgment-based model (Liu et al., 2011).

Other disadvantages of converging to IFRS include the lack of guidance during the initial phase, the underdevelopment of some countries, lack of integrated institutional-legislative framework, lack of technical guidance, increased influence of firms to exercise professional judgment, and the fear that non-listed firms who apply local GAAP will increase unfair competition (Naoum et al., 2011). The convergence to international standards will bring multiple interpretations that will lack uniform enforcement; therefore

it will be a minimal chance that global accounting will be used in the same manner (Djatej et al., 2012). The convergence to IFRS will increase decision making for management and investors (Srivastava & Bhutani, 2012). Other challenges to the convergence are the reluctance to change, incomparability of financial statements, re-learning of jobs, increased knowledge of financial jargons and terms, the possibility of overriding prevailing rules, and extensive technical training for management, oversight boards, accounting standard setters, and educators (Srivastava & Bhutani, 2012).

Conversion Costs

The costs to converge depend on many factors. These factors include employee training, consultant, and audit fees; therefore, there is a big fluctuation in the overall cost of the convergence for each company (AICPA, 2010; Rezaee, Smith, & Szendi, 2010; Benzacar, 2008; Wright & Hobbs, 2010). The companies will be the biggest innovators because they will be able to give voluntary disclosures, investor relations, and corporate governance choices (Gordon, 2008). However, the implementation cost is determined by the size and complexity of the companies (AICPA, 2010).

There should be a transition option for enforcing the convergence, and all costs related to the convergence should be addressed (Rezaee, Smith, & Szendi, 2010). It is important for companies to create a timeline for converging to IFRS to minimize the costs and enhance the education of the staff (AICPA, 2010). Public companies should be preparing for the convergence by testing any system changes and involving internal and external groups that will be affected by the convergence (Benzacar, 2008). In order to ensure that internal controls are in order, the companies will need to reconsider the nature and extent of key controls and test both the change in management processes and the

actual operation of controls (Wright & Hobbs, 2010). Therefore, anyone who prepares or relies on financial statements must understand the impact of IFRS as it will become the global accounting standard. In the qualitative research composed by Naoum et al. (2011) on 42 large companies in Greece, it was concluded that 16.8% of the respondents believed that the cost of the initial period of the convergence will not exceed the benefits, while 40.6% believed the opposite.   However, the authors only received feedback from managers, and in this study the feedback from investors and analysts would have been appropriate.

Personnel training costs, consultant fees, and the costs of adjusting information systems are associated with the cost of adopting IFRS (Naoum et al., 2011). Additional costs are adjusting information systems, independent evaluators' fees, updating, researching, and documentation costs (Naoum et al., 2011). Wright and Hobbs (2010) stated that other areas to include in the budget of the convergence are information technology, internal control documentation, legal, internal audit, and third party finance and financial reporting costs.

The drastic increase in costs and work time, along with insufficient knowledge, are the major problems with the convergence (Srivastava & Bhutani, 2012). Many employers will pay for the training on IFRS, but it is not discussed in detail how much the training will cost the companies. The changes that are associated with the convergence will initiate additional costs for employee training, internal controls, and accounting information systems (Stovall, 2010). These costs also have an impact on the entire economy of the country that is adopting the new standards (Stovall, 2010).

The additional costs of converging may use about 5% of revenue (Thomas, 2009). The Securities and Exchange Commission estimated that the cost of the convergence will be approximately 0.125% of a company's revenue (Djatej et al., 2012). Hinks (2012) concluded that 23% of its participants thought it would cost more than one million dollars to convert to IFRS, while others thought it would cost more than five million. Other companies believe that the convergence will not only cost them 5% of their revenue, but also two to three years of effort (Thomas, 2009). While reviewing companies in European Union before and after the convergence, the cost to converge in the first year is .31% of revenue for smaller companies with $500 million in revenue, and is .05% of revenue for the larger companies (Diehl, 2010). In subsequent years, the cost of reporting is .06% for small companies and .01% for large companies (Diehl, 2010).

The adoption to IFRS is also associated with significant increases in audit fees, averaging around 5.44% for firms that adopt the convergence (Kim, Liu, & Zheng, 2012). Auditing fees will increase because they will be required to spend more time reviewing, understanding, and evaluating the rationale for the use of standards and ensuring that they were applied properly (Wright & Hobbs, 2010). This increase in fees is also directly related to the increase in complexity that is associated with the convergence (Kim et al., 2012). Also, the audit fee premium decreases with the improvement in financial reporting quality and the strength of a country's legal regime (Kim et al., 2012). Audit fees normally increase when there are more assets, when the audit becomes more complex, and when the risk of litigation increases (Diehl, 2010). The audit fees for the convergence will also increase because more guidance for employees will be necessary

and because of the additional litigation that may arise because auditors will not have the ability to rely on established policies (Diehl, 2010).

It will be wise for companies to hire finance directors that have experience operating under IFRS or who have participated in an IFRS convergence (Wright & Hobbs, 2010). Companies should hire these individuals immediately as the demand will quickly outweigh the supply, and the compensation for these employees will be high during the initial phase of the convergence (Wright & Hobbs, 2010).

Convergence Timeline

The convergence could potentially harm the number of students that want to study accounting, the professional judgment quality of preparers and auditors, and the quality of financial reporting (Jamal et al., 2010; Lasmin, 2011). Foreign aid, capital markets, and the level of education were predictive factors in the adoption of IFRS (Lasmin, 2011). Therefore, the adoption of IFRS should be gradual and partial (Jamal et al., 2010). The convergence from GAAP to IFRS will take some time, and therefore a timeline must be in place.

The AICPA (2010) stated that it is important for company leaders to create a timeline for converging to IFRS to minimize the costs and enhance the education of the staff. Elena et al. (2009) showed the acceptance of IFRS by the United States and other countries could occur within the next few years. However, the authors did not discuss how much the convergence will cost. The uncertainty of the convergence is still an issue among finance and accounting professionals (Elena et al., 2009). Poon (2012) noted that the Securities and Exchange Commission would not make a decision about the convergence until the latter part of 2012. The Securities and Exchange Commission

stated that IFRS will not be incorporated until investors and capital markets are in the best interest (Poon, 2012). There are three possible outcomes of the convergence: (a) the SEC decides not to incorporate IFRS, (b) the SEC decides to incorporate IFRS using an approach that makes a U.S. version of IFRS, or (c) the SEC allows U.S. companies to prepare statements in their filings that are in accordance with IFRS (Poon, 2012). In a study conducted by Munter and Reckers (2010), 57% of the participants indicated they expected the convergence to take place before 2015 and 43% indicated that it would happen after 2015. Even though the Securities and Exchange Commission announced that the implementation will take place in 2015, accelerated filers will have to include three years of financial statements with their 2015 IFRS statements, which would make their adopting date 2012 (Mintz, 2010). Winney et al. (2010) believed that the timeline is unrealistic because the key concerns of the convergence have not been addressed.

There should also be a transition option for enforcing the convergence (Rezaee et al., 2010; Leuz, 2010). However, Razaee et al. (2010) did not discuss any potential unresolved issues with the convergence. Because there are complementarities between the elements of institutional infrastructures, it is difficult to attribute regulatory differences across countries to any set of explanatory factors (Leuz, 2010). The U.S. financial reporting infrastructure must be changed in the areas of financial reporting culture, the principle of fair presentation, regulations and contractual obligations, and the challenges for anyone who prepares, uses, or educates on the subjects of financial information (Persons, 2009).

Before deciding the timeline for convergence, Leuz (2010) proposed achieving some common ground between all countries that should include adopting the same

reporting rules, facing the same enforcement laws, and having similar incentives for transparent reporting. The four types of adoption, according to the Securities and Exchange Commission, are full adoption, full adoption with time lag, selective adoption, and national standards based on IFRS (Payne & Ranagan, 2007). Finance directors will have to determine if the existing IT systems can uphold the new standard (Hinks, 2012). They will also have to review the company's governance and controls, while focusing on the internal controls legislation as mandated by the Sarbanes Oxley Act (Hinks, 2012).

The hesitance of converging to IFRS could be due to determining who will create the standards, the difference between IFRS and GAAP, the costs of the convergence, and national sovereignty (Smith, 2012). The five roadblocks of the convergence to IFRS are (a) the difference between principles-based and rules-based interpretations, (b) the designation of the ruling governing body, (c) distinctions in company size, (d) cost of implementation, and (e) education and training gaps, and because of these roadblocks, the timeline for the convergence may be unrealistic (Winney et al., 2010). According to Stanko and Zeller (2010), the first four milestones of the convergence are to: (a) improve IFRS, (b) determine the accountability and funding of the IASC Foundation, (c) improve the use of XBRL, and (d) increase education, training, and understandability of IFRS. In order for the convergence to take place, six issues must be resolved: (a) ensuring the quality and suitability of IFRS, (b) ensuring independent standard-setters, (c) increasing the understanding and education of investors, (d) determining if U.S. laws and regulations will be affected by IFRS, (e) measuring the impact of IFRS on issuers, and (f) ensuring the readiness of the preparers of financial statements (Yallapragada, 2012).

The Convergence and Small Companies

While larger companies prefer for the convergence to take place as soon as possible, the smaller companies anticipate substantial costs associated with the convergence (Poon, 2012). If it is not supported to move immediately to IFRS, the larger companies would want the option to use those standards (Djatej et al., 2012). Smaller companies have less of an incentive to convert to IFRS because the costs will outweigh the benefits (Thomas, 2009).

Many believe that small businesses are only portions of large businesses, but in actuality the differences between small and large businesses are the different strategies they pursue, which includes interests in survival, stability, and autonomy rather than financial growth (Deaconu, Buiga, & Strouhal, 2012). Because small companies are not required to publish a significant amount of financial information, they are treated differently (Deaconu et al, 2012). The publication of less information decreases the administrative burden of the small companies' entrepreneurs (Deaconu et al., 2012).

In 2009 a standard was published, called the International Accounting Standards Board's IFRS for SMEs, which is intended for non-publicly accountable entities (Deaconu et al., 2012). The purpose of IFRS for small and medium enterprises is to provide information about their financial position, performance, and cash flow that may be useful for decision-making by users who do not need the information for particular reasons (Jermakowicz & Epstein, 2010). Firms are publicly accountable when their debt or equity is publically traded or the firm is a financial institution (Ibarra & Suez-Sales, 2011). The simplification of IFRS for small and medium companies includes the

omission of irrelevant topics, the modification of certain policies, minimal disclosures, and a simplified language (Ibarra & Suez-Sales, 2011).

IFRS for SMEs is comprised of 15% of the full IFRS, which eliminates more than one-fourth of the requirements and contains a change in disclosure requirements while offering a section devoted to concepts and pervasive principles (Deaconu et al., 2012). For instance, some topics omitted were earnings per share, interim and segment financial reporting, and accounting for assets (Jermakowicz & Epstein, 2010). There are also only two categories of financial instruments for small and medium enterprises, whereas full IFRS has four categories (Jermakowicz & Epstein, 2010). Full IFRS includes 3,000 items on the disclosure checklist, and IFRS for small and medium enterprises consist of 300 disclosures (Jermakowicz & Epstein, 2010). About 99% of worldwide companies are small and medium-sized (Vasek, 2011). Small and medium-sized companies do not have public accountability and publish general purpose financial statements for external use (Vasek, 2011).

The United States should consider using alternative standards for small companies to avoid the high levels of complexity and time-consuming processes (Stovall, 2010). The different accounting and tax systems generate high compliance costs for small businesses (Nerudova & Bohusova, 2008). These differences are the deciding factor of small companies opting to not get involved with cross-border activities (Nerudova & Bohusova, 2008). The financial statements of small companies should be comparable across countries so that financial institutions can make loans across borders and vendors can evaluate the option of selling goods or services on credit (Nerudova & Bohusova, 2008). Also, small companies use overseas suppliers, and those financial statements are

used to determine the length of the business relationships (Nerudova & Bohusova, 2008). Because IFRS increases transparency, small companies worry about competition (Nerudova & Bohusova, 2008).

IFRS and the Government

IFRS also has a major effect on the government (Bengtsson, 2011; Ahmed & Alam, 2012; Nobes & Zeff, 2008; Mukoro & Ojeka, 2011; Chua & Taylor, 2008; Hail et al., 2010; Narktabtee & Patpanichchot, 2011; Beuren et al., 2008). Changing standards results from individuals who try to gain, maintain, or strengthen their economic and social power (Bengtsson, 2011). Standard-setters should ensure that any policy changes will improve reporting quality and comparability in all socially optimal levels (Hail et al., 2010).

IFRS for local government entities are more complicated when compared to private entities because of the social objectives and complex arrangements, such as partnership programs and infrastructural assets (Ahmed & Alam, 2012). Few jurisdictions have not adopted IFRS because the state is reluctant to allow private-sector bodies to control accounting (Nobes & Zeff, 2008). Changing the accounting standards are expected to impose major modifications to the way local government entities report financial information to stakeholders (Ahmed & Alam, 2012).

The differences in accounting methods are due to the differences in the laws of the countries and their political system (Mukoro & Ojeka, 2011). The convergence to IFRS has four benefits for companies in different cultures: (a) it is cheaper for developing countries to establish a national system of accounting, (b) it will increase comparability between companies operating in different countries, (c) multinational companies located

in different countries will be able to coordinate their efforts more efficiently, and (d) there will be a reduction in costs for international stock exchanges and the restatement in financial statements (Mukoro & Ojeka, 2011). For instance, in Australia, local government entities are expected to explain the differences in accounting standards to respective councilors, staff, and the public (Ahmed & Alam, 2012). Therefore, the processes and outcomes of accounting standard setting is driven by power and politics (Bengtsson, 2011). The IASB, however, has not been influenced by politics (Bengtsson, 2011). The conversion to one accounting standard to a single agency lowers both economic and political costs for states, and is acceptable as long as the states retain their rights to decision-making (Chua & Taylor, 2008).

The incentive-based view of IFRS suggests that the institutional structures of countries are important in the capital market (Hail et al., 2010). Countries with strict enforcement and institutional structures will exhibit noticeable capital market effects during the initiation of IFRS (Hail et al., 2010).

A country's legal system can be classified as common or codified law (Beuren et al., 2008). Common law is prevalent in countries such as Great Britain and the U.S. and states that if it is not prohibited, it is accepted (Beuren et al., 2008). Common law uses creativity to create the law, which results in manipulation, but it is favorable when comparing financial reporting (Beuren et al., 2008). Codified law is prevalent in countries such as Germany, Japan, and France, and states that everything must be written (Beuren et al., 2008). This does not leave room for flexibility, and its emphasis is on its creditors, not its shareholders (Beuren et al., 2008). "In terms of legal factors, legal rules and enforcement shape the degree of investor protection, which determines cost and

benefit of expropriation against minority shareholders by controlling shareholders"
(Narktabtee & Patpanichchot, 2011, p. 81).

Summary

The findings of the literature review dictated that there are many different issues that must be addressed during the convergence to IFRS. Most research obtained through the literature review point to the two most important areas that will be affected by the convergence: the companies and the education facilities. In general, the overall purpose of the convergence is to adopt a standard that companies can use internationally as well as domestically.

A change in the accounting curriculum is inevitable when concentrating on IFRS. Few instructors have incorporated IFRS into their courses, and Zhu et al. (2011) noted that 30% of their sample spent less than 15 minutes covering IFRS. However, most of the accounting faculty believed that the subject should be included in the intermediate accounting courses (Munter & Reckers, 2009). The issues with incorporating IFRS into the curriculum are faculty shortage, competing market demands, and lack of textbook publishers (Munter & Reckers, 2009).

The acknowledgment of the differences between GAAP and IFRS is important when discussing the convergence. The biggest difference between GAAP and IFRS is that the International Financial Reporting Standards are more principles-based whereas GAAP is more rules-based (Benzacar, 2008). This major difference transformed to other differences such as the length of the standards, transactional and reporting requirements, information risk, forecasting, and ethics.

Employers are looking for potential employees who have some knowledge of IFRS. In 2013, employers believe that accounting students should be able to prepare basic IFRS-based financial statements (Jones et al., 2009). Of the minimal skills noted in previous research, motivation and decision-making were ranked as the most important (Parham et al., 2012).

The cost of the convergence has been a big concern for many companies. The causes of this increase are training costs, audit fees, and the cost of adjusting the information systems to accommodate for the new standard (Naoum et al., 2011). This cost can range from about .05% of revenue to about .31%, depending on the size of the company (Diehl, 2010).

In order to agree with the convergence, the reasons for the convergence must be specified. The purposes of accounting standards are to standardize accounting policies, aid in decision-making, and bring uniformity (Srivastava & Bhutani, 2012). The convergence will increase harmonization, comparability, consistency, and transparency (Heino & Fontana, 2011).

The convergence to IFRS is not something that can take place overnight. The adoption should be gradual and partial (Jamal et al., 2010). The expected convergence date is 2015 (Munter & Reckers, 2010). The reasons for the delay in the convergence is the different between principles- and rules-based, designating a ruling governing body, company size, implementation costs, and education gaps (Winney et al., 2010).

Finally, the scope of the current, scholarly, pee-reviewed literature focused on IFRS. Each of the topics described within the context of chapter two can be traced to Figure 1, where each topic is discussed separately. Since the discussion on the skills

noted by employers has been researched, the need is to address how those skills are being

taught in the accounting curriculum.

Chapter 3: Research Method

The purpose of this qualitative research was to review specific IFRS skills, identified by accounting firms, to determine how they were being instructed as part of the accounting curriculum at universities, leading to an understanding of the preparation of accounting students for professionalism. This research investigated faculty members at universities in order to obtain an understanding of the accounting curriculum and its inclusion of predominate IFRS skills. The study included faculty members at universities who have received IFRS funding and those who have not received any funding.

The proposed research was a single case study using a qualitative methodology (Yin, 2009). Qualitative research was preferred for the study because open-ended questions were used in the surveys to better understand faculty experiences. Quantitative data was not preferable because numeric data would not help to answer the research questions (Creswell, 2009). The case study involved surveying accounting instructors to determine how the skills noted by management were taught in the accounting curriculum. The research questions were intended to excerpt information on IFRS based on the experiences of faculty members. The research questions that initiated the study were:

Q1. What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

Q2. How are the specific skills on IFRS identified by accounting professionals being taught in existing accounting courses?

Q3. How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

Q4. How does faculty members at universities who received grant funding teach IFRS skills differently than those faculty members at universities that did not receive grant funding?

This chapter of the manual will cover the research methods and design, population, sample, materials, data collection, assumptions, limitations, delimitations, and ethical assurances.

Research Methods and Design

The primary methodology for this study was qualitative, which was used to gain an understanding on the notable IFRS skills that were being taught in the accounting curriculum. The methodology of qualitative research focuses on the discovery and description of the phenomenon while interpreting the meaning of the experience (Bodgan & Bilken, 1998). The phenomenon in this study was that predominate IFRS skills were not being consistently taught in the accounting curriculum, which will have a negative effect on the quality of accounting professionals. Previous research was also important to the study in that it elaborated on the IFRS skills that should be included in the curriculum. Qualitative design was best as it permitted the participants to elaborate on their opinions and ideas about the best way to include important IFRS skills in the curriculum. The methods in this study also provided an understanding of the conflicting information found in previous research pertaining to IFRS skills taught in the accounting curriculum. Personal and professional opinions pertaining to IFRS skills taught in the curriculum were explored by reviewing survey outcomes.

The proposed research was a single case study because the researcher studied the IFRS content of the accounting curriculum. In conducting a case study, the researcher

must establish methods and procedures that are required for the study (Yin, 2009). A case study method was appropriate for the research because yielded the ability to explore the current status of the IFRS curriculum. Therefore, the research involved reviewing accounting employers' IFRS skills needed to employ recent accounting graduates. The actual case study comprised surveying accounting faculty members and determined how the skills noted by employees were taught in the accounting curriculum. The researcher learned from the constructivist perspective because the understanding of the study came from the participants in the study. Constructivism was used as an overarching theoretical framework for the exploration of IFRS content through determining how the students acquired knowledge and learned the notable IFRS skills. The intent of this study was to survey a group of accounting faculty members to develop a comprehensive description of the experiences of teaching IFRS content, so the case study strategy was better for this study.

Case studies contribute to knowledge of individual, group, organizational, social, political and related phenomena by asking the "how" questions (Yin, 2009). This research aligned with the purpose statement because it included surveying multiple faculty members at universities to determine how the convergence to IFRS significantly related to the curriculum theory. The use of a case study investigated a phenomenon in depth and within the real-life context of the employees and faculty members by understanding how the phenomenon affected future accounting professionals and students (Yin, 2009). This study included the embedded design because the surveys of the faculty were needed to address research questions about the curriculum (Yin, 2009). The intent of this study was to survey faculty members, within the United States, to

develop a comprehensive understanding of the IFRS content taught in accounting curricula. This study was most suited for a case study design as it described and analyzed a phenomenon during a specific time (Merriam, 1998; Creswell, 2009). Merriam (1998) stated that qualitative case study is ideal for understanding and interpreting educational phenomena. A case study design focuses on the process and not outcomes while influencing future research (Merriam, 1998). This research coincided with this understanding of case study because it sought to better understand what IFRS skills were required by accounting management and how those skills were being taught in existing accounting courses.

Single case studies are analogous to a single experiment. There are five rationales for a single case study. The first is that it represents the critical case in testing a well-formulated theory. It can represent a significant contribution to knowledge and theory building. This rationale best fitted the reasoning of this study because confirmed the curriculum theory (Yin, 2014). The second rationale is that it represents an extreme or unique case. It includes a specific injury or disorder that is rare and worth analyzing. The third rationale is that it represents a typical case. It includes circumstances of an everyday or commonplace situation. The fourth rationale is a revelatory case, which is the observation and analysis of a phenomenon previously inaccessible. The last rationale is a longitudinal case, which includes the same case study at two or more different points in time (Yin, 2014). Therefore, the study was categorized as a single case study because the data from university faculty members was pooled to represent the experiences of other institutions (Yin, 2009).

The qualitative study included surveys. The use of surveys was adequate for this study because it provided the ability to contact the participants who are not in close proximity. The widespread use of the Internet also eased the use of surveys compared to the process and cost of conducting interviews (Ansolabehere & Rivers, 2013; Spijkerman, Knibbe, Knoops, van de Mheen, & van den Eijnden, 2009). The surveys consisted of open-ended questions as this gave the participants an opportunity to elaborate on the questions. The purpose of using the online survey method was to be able to include participants across the United States. Surveys were chosen over interviews because they will allow the participants an opportunity to elaborate on the questions while providing rich and necessary data.   Surveys gave the participants and opportunity to respond to the questions when they were ready.

The researcher also requested other documentation from the participants, such as lecture notes, PowerPoint slides, and/or syllabi. The data from the sources was triangulated in order to increase the validity of the study. The purpose of data triangulation was to collect information from multiple sources aimed at supporting the same phenomenon (Yin, 2009).

Population

Participants for the study were chosen based on their experience with teaching IFRS content in the classroom. The participants were faculty members at universities who received financial grant funds from an accounting firm and faculty members at universities who did not receive financial grant funds. The lists of universities in the study were chosen from a list ofForbes top universities and a list of financially funded universities from Weiss (2011). The lists of universities were chosen based on the ability

to include different universities across the U.S. with various graduation requirements. The faculty members who participated in the study were accounting instructors who have had some previous experience with teaching IFRS in the classroom. The participants had to have Internet connection to participate in the study. An email with the link to the survey was sent to the participants, and was completed within three weeks. The sampling method used in this study was purposive sampling (Creswell, 2009). Purposive sampling is ideal for qualitative research because the participants can best help to analyze the problem (Creswell, 2009). Purposeful sampling is the process of selecting participants who are information-rich based on the purpose of the study (Patton, 2002).

Accounting firms are now interested in hiring students who have experience with IFRS. To ensure this, the firms have been developing educational tools and other resources, such as grant funds (Weiss, 2011). The units of analysis were the experiences of IFRS content taught by university faculty members. The population was the university faculty with IFRS experience. The sample was chosen from the population, and its size may not have met saturation (Padgett, 2004). Patton (2002) stated that there were no specific rules for sample size in qualitative studies. However, if the results of six to 10 units are successful, then it is sufficient for the study (Yin, 2009). Patton (2002) stated that the researcher of the study must use judgment to discuss the strengths and weaknesses of the sampling procedure.

The listings of universities receiving financial grant funds and Forbes top universities served as the master documents to select survey candidates. The university website was used to determine the director or chair of accounting. The chair or director then gave direction to the faculty member that taught IFRS within their accounting

classes. The candidates had at least one semester of experience with IFRS in the classroom. Selecting a sample from the population reduced the amount of research. Also, only accounting personnel was chosen for the study. Even if the professors are replaced, the university would have ensured that all curricula met the requirements of the university.

The researcher initially started with 10 potential participants, five from funded universities and five from non-funded universities. When no responses were received, the researcher increased the number by 10. Overall, the researcher attempted to contact 20 participants, 10 faculty from universities who received grant funds and 10 faculty from universities who did not receive grant funds, all within the United States (Weiss, 2011). Of the 20 participants, only three agreed to participate in the study. According to Patton (2002), there are no specific rules for sample size in qualitative studies. However, Yin (2009) believes that six to 10 units are sufficient for a study. Therefore, a limitation of the study was the sample size. Because of the sample size, saturation may not have been met, but a good indication of the study is that the findings aligned with prior research. Further studies with a larger sample size would be necessary to confirm the findings of this researcj. Table 2 illustrates the breakdown of the number of universities used in the study.

Table 2

Breakdown of Participants in Study

Search Criteria	Total	# of Participants

States Where Universities Received Funding	15	10
Massachusetts		
California		
Michigan		
Florida		
Alabama		
New York		
Texas		
Illinois		
Virginia		
States of Universities Listed by Forbes	100	10
Washington		
California		
Indiana		
Massachusetts		
Washington, DC		
Virginia		
Michigan		
Texas		
New York		
Tennessee		

The faculty members included in the study taught accounting and had at least one semester's experience with IFRS in the classroom (Munter & Reckers, 2009). The participants were contacted by email and/or telephone. Their contact information was retrieved online from the universities' websites.

The availability of the participants were restrained due to accessibility and/or quantity of eligible participants within the population. Only including universities and with viable IFRS curriculum content in the study significantly reduced the number of eligible participants. To ensure the richness of the participants, each participant had one semester of experience teaching IFRS. This information was ascertained by contacting participants prior to the survey process to ensure that they met these qualifications.

Each participant received information about the study, which included the purpose of the research and the survey process. The participants were expected to be

unbiased about the topic of the study. The responses to the survey questions focused on the facts of how IFRS skills are taught at their university.

Materials/Instruments

Because this was a case study, the data that was obtained for analysis came from surveys from faculty members of universities who taught international accounting. Each participant was a part of a purposive sample selected by their experience and current job positions, and their availability to participate in the study. A qualitative survey (see Appendix A) was used to gather information in a secured online environment using SurveyMonkey.   The surveys asked a total of eight questions that are of qualitative nature dealing with the IFRS experience of the participants.

Instrumentation is very important during any study. The four instruments that were included in this study are Appendix A, which includes a list of survey questions, Appendix B, the informed consent form, an Internet-accessed computer, and the ATLAS.ti software used to analyze the written responses (ATLAS.ti). IRB approval was granted before any research activities are initiated.

The survey (Appendix A) included one set of questions for the faculty members because of the multilevel design of the study (Onwuegbuzie & Collins, 2007). The researcher also requested other documentation from the participants, such as lecture notes, PowerPoint slides, and/or syllabi, which were triangulated in order to increase the validity of the study. The questions used in the study were generated and emailed to the participants using SurveyMonkey. The proposed survey questions were field tested on a small group of participants, and this group included faculty members at universities (Padgett, 2004). One participant replied to the field test. The questions seemed

appropriate, so there were no changes made to the survey based on the field test. The questions asked during the survey centered on the skills needed to perform successfully in the accounting profession as they pertain to IFRS. The survey did not take longer than one hour to complete. The survey started with general questions to introduce the topic, while the follow-up questions were designed to elicit certain information from the participants (Padgett, 2004). The survey took place during the fall of 2015. The survey was also used to ensure that the researcher visited each topic required for the study in the allotted amount of time, while leaving enough time for probable errors. The probing questions were also used for clarification of the responses to a question.

Data Collection, Processing, and Analysis

Data for the proposed qualitative study was derived from the survey completed by the accounting faculty members at universities who teach IFRS in the United States. The study evaluated the survey results from the participants using SurveyMonkey. The surveys were used as guidance. Participants were purposeful sampled. This method allowed for an expertise understanding of how IFRS was included in the content of their accounting curriculum.

The survey was created on SurveyMonkey.com with a link accessible via email. The format was created using the standard SurveyMonkey.com template with the qualitative survey questions that included a short answer format. The questions on the survey were viewed by participants at once, allowing them to answer in any order and skip any question. The responses to the survey were anonymous.

During the survey, the participants were expected to respond honestly and accurately to the questions asked. Therefore, the participants were comfortable with the

process and the questions. Patton (2002) stated that case studies are intended to collect data from many areas. Therefore, the study included two different sets of universities, one that received grant funding and one that did not receive grant funding.

The participants were emailed the informed consent form before they were given the link to the survey. If the participant did not consent to the study, they were not eligible to participate. The survey was open for three weeks to allow participants adequate time to complete. A reminder was sent to participants after seven days. The participants were also asked to email any supporting documentation (PowerPoint, syllabi, etc.) that may have proved that the skills were actually being taught.

The data from the surveys was entered into the qualitative software ATLAS.ti for analysis. This software analyzed the data according to similarities in ideas. Themes were then compiled to generate the information needed for the study.

Data management and analysis. ATLAS.ti allowed the researcher to input data based on coding. The research included axial and open coding. The researcher used open coding to analyze the results of the survey (Parker, Ndoye, & Ritzhaupt, 2012). The results of the survey from SurveyMonkey and the inclusion of the information gathered from other documentation (PowerPoint, syllabi, etc.) was input to create categories within ATLAS.ti. Code categorizing is also called selective coding (Parker et al., 2012). The process of identifying a common phenomenon that is related to the subcategories is called axial coding (Parker et al., 2012). Coding allowed the researcher to obtain potential saturation based on the responses from the participants. Pattern matching was used to address the research questions. Pattern matching is the comparison of two patterns to

determine if they match (Yin, 2009). Because this study compared universities that received IFRS funding with universities that did not, this type of analysis is appropriate.

In conducting a case study, the researcher must establish methods and procedures that are required for the study (Yin, 2009). The researcher must ensure that the data is accurate, reliable, and valid. Trochim and Donnelly (2008) stated that data must be creditable, confirmed, transferable, and dependable. The credibility of the data was verified through the participants' descriptions on how IFRS is used in their employment. The confirmability of a study is the unprejudiced interpretation of the data (Reige, 2003). Confirmability gives others the ability to confirm the results of the study, so it was imperative that the researcher reviewed the data after the study to ensure that proper procedures were followed. The process of gaining approval of research findings is credibility, and this will be obtained through the review of the surveys (Reige, 2003). The creditability process was initiated with the participants completing the survey.

Dependability and transferability are also important during research. Dependability is the consistency and stability of the study (Reige, 2003). Transferability is the ability to achieve the same findings when the same study is performed by another researcher (Reige, 2003). In order for a study to be transferable, the information on the research must be in such detail that it can be duplicated. Also, the clear documentation of the study added to the dependability of the results.

The qualitative study was conducted using ATLAS.ti software. The participants had an opportunity to answer the questions pertaining to their professional experiences with IFRS. The questions included in the study gave the participants an opportunity to elaborate on their thoughts and feelings on IFRS.

Five design concepts can be used when evaluating the performance of qualitative research. These are triangulation, complementarity, development, initiation, and expansion (Troche & Donnelly, 2008). The development and expansion concepts were used in this study. The development design was beneficial because any questions left unanswered could be used in further study. The expansion concept helped to better understand the data analyzed after reviewing the results.

Methodological Assumptions, Limitations, and Delimitations

In conducting any research, there may be many assumptions. Each participant in the study was researched to ensure that they met the qualifications to participate in the study. Since the survey was conducted via Internet, it was assumed that the participants obtained the necessary skills to successfully complete the survey while using a computer with Internet access. It was also assumed that the participants were honest and open with their comments. If an insufficiency of participants aroused, other faculty members and employees in the United States would have been contacted for participation.

Another assumption was that the participants would understand the significance of the study and would provide accurate information for analysis, while realizing that there were no tangible benefits to participating. The participants will benefit for the sake of the accounting profession. The introduction of the survey process was used to explain the research. The actual survey process was used to strategically communicate the importance of the study and how it could help the universities in the future.

The perspective of the participant's experience could have also been an assumption. It was possible that there could have been no consistent themes between the participants. Therefore, the participants were given an opportunity to describe their

experiences in as much detail as needed. It was the researcher's responsibility to ensure that the information collected was valid and had the ability to be analyzed qualitatively. It was also assumed that the researcher would in no way influence the data collected through personal experiences. The researcher maintained a certain affinity with the participant to minimize any biased opinions.

The researcher insured that the information gathered from the participants was valid and could be analyzed. The survey helped to describe the purpose of the research so that the participants would be content. Therefore, participant information was included in the study, but without identification. Also, there are many universities in the U.S. Therefore, the research was narrowed to only include those that have participated in the IFRS curriculum through viable resources from accounting firms or are listed by Forbes.

One limitation was prevalent in the study as the number of participants posed an issue. In many instances, faculty members were not in attendance because of breaks. Other universities did not reply to the emails or return the phone calls. Many universities required contact from NCU's IRB to grant permission for participation. In this case, other universities within the states were contacted for attempted participation. After many attempts, only three participants were included in the study. The limitation was due to the number of willing participants and the inability to obtain IRB approval from the universities in regards to participation because of their policies. This limitation may have caused a lack of data saturation for the study. A lack of saturation could cause one to question the validity of the study with regards to the themes submerged from the research and how the researcher interpreted the results.

The United States consists of colleges and universities. The first delimitation was that the participating university must be in U.S. for this research. This rule lowered the number of universities available to participate. The second delimitation was that the research would include only universities because community colleges usually do not teach accounting courses that include international studies. To limit the universities, only those who have received IFRS funding or are listed by Forbes were used in the study, which was the third limitation. The fourth delimitation was that the faculty members chosen to participate in the study must teach accounting. The final delimitation was that the faculty members chosen to participate in the study must teach an international accounting course or include IFRS as part of their curriculum. If there was no international accounting course or IFRS-based lecture in the curriculum at the university, another was chosen.

Ethical Assurances

The protection and dignity of all participants was a major issue. Therefore, Northcentral University requires approval from the Institutional Review Board prior to any collection of data. All participants were required to sign an informed consent form (see Appendix B) before the initiation of the study. The informed consent form included the purpose of the study, participant requirements, research personnel, potential risk, potential benefit, anonymity, and right to withdraw, as they related to the study. The purpose of this study, stated on the informed consent form, was to determine how IFRS skills were being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those that do not receive

funding. The researcher stated that there is an interest in the participants' experiences, perceptions, and processes associated with IFRS.

The informed consent form (see Appendix B) also described the survey as open-ended, where the participants could answer freely to the questions being asked. The survey took no longer than one hour to complete. The surveys were conducted via Internet because of distance.

The participants were also notified that there are no risks associated with the study. Also, no direct benefits were given for participation in the study. However, their influence to the study greatly impacted the accounting curriculum.

Most importantly, the participants were ensured of the anonymity and confidentiality of the study. At any time, the participants could have withdrawn from the study. No identifying factors were used in the manuscript. The information gathered was hidden in a file on the researcher's computer, which is password protected. The original data retrieved during the study will be destroyed five years after the publication of this dissertation.

Summary

The purpose of this single qualitative case study was to determine how IFRS skills are being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those that did not receive funding. Using Yin's (2009) approach to case studies, the study analyzed the data qualitatively. The participants of the study included faculty members of universities in the United States who taught IFRS as part of their accounting curriculum. The participants signed an informed consent form (see Appendix B). The surveys were completed by the

participants and the responses were used for analysis. The researcher ensured that all

ethical assurances were abided by. The participants could have withdrawn from the study

at any time. All personal information on the participants was eliminated from the study.

Participants were assigned a number with no identifiable characteristics.

Chapter 4: Findings

The purpose of this qualitative single case study was to determine how IFRS skills are being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those that did not receive funding. The problem addressed within this study was that the proposed accounting standard IFRS is not consistently taught in the accounting curriculum when funding is not provided (Elena et al., 2009). This study highlighted the theoretical significance of the curriculum theory, as it focused on how accounting firm required IFRS skills are being taught at universities, while comparing the curriculum of universities that received IFRS funding and universities that did not receive IFRS funding. The research questions satisfied the purpose of the study and contributed to addressing the problem. The intent of the research was to answer the following questions:

Q1. What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

Q2. How are the specific skills on IFRS, identified by accounting professionals, being taught in existing accounting courses?

Q3. How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

Q4. How does faculty members at universities who received grant funding teach IFRS skills differently than those faculty members at universities that did not receive grant funding?

This section includes evidence of trustworthiness, the results of study, and an evaluation of the findings.

Evidence of Trustworthiness

In conducting a case study, the researcher must ensure that the data is accurate, reliable, and valid. Trochim and Donnelly (2008) stated that data must be creditable, confirmed, transferable, and dependable. The findings were reliably qualified by purposeful sampling and thick descriptions.

The credibility of the data was verified through the participants' descriptions on how IFRS is used in their employment. This was achieved by collecting data from multiple sources from each participant. The documentation given to the researcher was reviewed in detail to determine relevancy. The information given in the surveys were compared to or triangulated with supporting information to ensure consistency. After review, no contradicting information was found in the conclusion of the study.

Confirmability and credibility are important during research. The confirmability of a study is the unprejudiced interpretation of the data (Reige, 2003). The participants entered their own information in the survey, so the researcher was unable to incorporate any bias opinions. The survey results were entered into the ATLAS.ti verbatim. Confirmability gives others the ability to confirm the results of the study, so the researcher reviewed the data after the study to ensure that proper procedures were followed. The process of gaining approval of research findings is credibility, and this will be obtained through the review of the surveys (Reige, 2003). The creditability process was initiated with the participants completing the survey.

Dependability and transferability are also important during research. Dependability is the consistency and stability of the study (Reige, 2003). Transferability is the ability to achieve the same findings when the same study is performed by another

researcher (Reige, 2003).   In order for a study to be transferable, the information on the research must be in such detail that it can be duplicated. Also, the clear documentation of the study adds to the dependability of the results. Therefore, the dependability of the study was established by providing a clear path between the data collected and the analysis process. The research procedures were documented in detail, which proved that the collection of the data and the interpretation were consistent, dependable, and transferable.

Results

A field test was conducted with one faculty member (non-participant) to ensure the usability of the survey questions. The answers gathered during the field test seemed appropriate for the questions. Based on the results, no changes were required.

A purposeful sample of three participants included the surveys and the inclusion of supporting documentation, which were used to collect the data for the study. The participants who were recruited for the study had to be accounting instructors with at least one semester of experience teaching IFRS. Surveys were conducted via SurveyMonkey, which is an online survey site. Each participant completed the survey whenever it was convenient. They then emailed any supporting information that coincided with the questions answered on the survey. All three participants submitted syllabi as supporting information, and one participant provided PowerPoint slides. The data was analyzed and coded with the use of Microsoft Excel.   Four major themes emerged from the analysis: (a) the ability to differentiate between IFRS and U.S. GAAP, (b) limited time in existing accounting classes, (c) asking questions on tests, and (d) already incorporated into classes.

In total, there were three participants. Of the three participants, one was employed at a university that was grant-funded. The other two were employed at universities that were not grant-funded. All of the participants have experience with teaching IFRS.

Overarching research question. How are IFRS skills being taught as part of the accounting curriculum?

Four sub-questions were developed to answer the overarching research question. Eight survey questions were developed to support the findings of the overarching research question and subsequent sub-questions. Triangulation was then performed utilizing other supporting documentation such as syllabi and PowerPoint slides.

Sub-question 1. What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

To determine the first sub-question, participants were asked a question to identify what skills they think are important. The theme associated with this question is *the ability to differentiate between IFRS and GAAP*. Survey question #3 corresponded to this research sub-question and the participants' responses are detailed below.

Survey Question #3. The responses to the third survey question, what IFRS skills do you think are important for success in the accounting profession, included two of the three participants mentioning that accounting professionals should be able to identify the differences between IFRS and GAAP. One participant stated an uncertainty of particular IFRS skills that are different from GAAP, and that the biggest skill is learning flexibility in accounting standards. This data was triangulated with information from the syllabi. One participant stated that class would focus on "the complexities of both US Generally

Accepting Accounting Principles (GAAP) and international accounting standards
(IFRS)…". Another participant stated that the class would aid in the ability to identify
and explain the differences between GAAP and IFRS. The last participant stated that the
students should be able to analyze and account for a variety of transactions under both
IFRS and GAAP.

  Sub-question 2. How are the specific skills on IFRS identified by accounting
professionals taught in existing accounting courses?

  To determine the second sub-question, participants were asked questions to
identify if there were individual IFRS classes at their universities, how the skills are
taught, and how much time is spent on IFRS. Survey questions #1 and #5 corresponded
to this sub-question. Therefore, the major theme was *limited time in existing accounting
classes*.

  Survey question #1. Participants' responses to the first survey question, please
describe how IFRS is included in your curriculum at the university (individual class vs.
inclusion in already-existing class), revealed that all three universities include IFRS in
already-existing class but one university also offers a separate IFRS elective. To
triangulate this data, two of the syllabi sent were for intermediate accounting classes, and
one syllabus was titled International Accounting.

  Survey question #5. Participants' responses to the fifth survey question revealed
a number of conclusions. First, the employers listed three skills that were important for
college students to obtain in their curriculum; (1) the ability to apply IFRS, (2), the
preparation of IFRS financial statements, and (3) the reconciliation between IFRS and
U.S. GAAP. All three participants stated that they taught their students how to apply

IFRS. The reconciliation between the two standards was not taught at any of the universities. Two of the universities covered IFRS financial statements.

The second part of this survey question was designed to determine how the participants taught those three skills mentioned above. Two participants stated that they taught their skills through lecture. One participant did not elaborate on how the skills were taught in the classroom.

The final part of this question was asked to determine how much time was spent on the IFRS skills. While no participant could break down each skill individually, two participants stated that about 10% of the total class time was spent on IFRS in their accounting courses. The third participant has an individual IFRS class so the whole class would be spent on IFRS, while elaborating on the known skills taught in the regular accounting courses. Only one participant included PowerPoint in their supporting information, where two chapters out of the class included a significant discussion of the differences between GAAP and IFRS.

Sub-question 3. How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

To determine the third sub-question, participants were asked questions that elaborated on how they ensured skills are comprehended with recommendations for improvement. Survey questions #6 and #7 corresponded to this sub-question. The major theme associated with this question was *asking questions on tests*.

Survey question #6. The sixth survey question asked how do you ensure that individual skills are fully comprehended, and concluded that all universities included IFRS on tests and/or quizzes. However, one participant also included participation in

class discussion, and another participant required the completion of a comprehensive case study. Every syllabi included the grading rubric that included exams. The syllabus from the international accounting course included the rubric for the comprehensive case study.

Survey question #7. The seventh survey question asked what changes do you feel could be made to ensure that IFRS is successfully covered in the curriculum. All three participants answered differently, but two mentioned that some type of change would be beneficial. Participant one stated that "I could provide more exclusive devotion to IFRS (say devote entire lecture to IFRS), and increase IFRS questions in my tests. An IFRS-based case would be helpful". Participant two stated the "availability of more IFRS resources. Availability of more IFRS-based questions in end-of-chapter questions". The third participant stated "based on the current status of IFRS in the USA, I believe the curriculum appropriately addresses IFRS". However, the last participant teaches an IFRS course.

Sub-question 4. How does faculty members at universities who received grant funding teach skills differently than those faculty members at universities that did not receive grant funding?

The final sub-question gave the participants an opportunity to describe their experience with IFRS and the progress of incorporating IFRS into the curriculum. Survey questions #2 and #4 elaborated on this question. The final theme that coincided with this question was that *IFRS was already incorporated into the classes*.

Survey question #2. The second survey question asked describe in your own words, and as fully as possible, your experience with IFRS. Two of the participants explained teaching IFRS in an academic setting. The other participant elaborated on the

experience at a top accounting firm, and upon retirement, started teaching IFRS in an academic setting.

Survey question #4. The fourth survey question asked describe from your perspective how the university is making progress towards the change to incorporating IFRS into the curriculum. Again, each participant answered differently. The first participant stated that "progress in incorporating IFRS has been left to individual professors, and IFRS coverage differs between professors". The second participant said "about 8-9 years ago we decided (as a department) that our approach to teaching IFRS would be a 'compare and contrast' approach with US GAAP. I believe this approach has been incorporated into all relevant courses". The third participant stated that "…there is little movement in the USA to adopt IFRS, whether through direct adoption or endorsement, so the current level of IFRS attention seems appropriate for domestic students".

Evaluation of Findings

The results of this case study were consistent with the existing literature. The four major themes related to all four of the research questions were (a) the ability to differentiate between IFRS and US GAAP (b) limited time in existing accounting classes, (c), asking questions on tests, and (d) already incorporated into classes. The following is an evaluation of the interactive and recursive themes compared and contrasted to the previous studies. The themes were consistent for all research questions and were identified as major themes as a result of the high frequency percentages (100% for all themes). Because of the sample size, saturation may not have been achieved in this study. However, the evaluation of findings has been detailed by theme.

RQ1: What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

Major theme 1: The ability to differentiate between IFRS and US GAAP. The first major theme was identified as the differences between IFRS and US GAAP as it contributed to what skills the participants think are important for the profession. For both universities with grant funding and without grant funding, the existing accounting courses focused on teaching the key differences between the standards. One of the non-grant funded universities also offered an elective IFRS course, which focused on the differences, but more in-depth. While reviewing the supporting documentation of the participants, the first participant stated that the objective of the class was to understand the complexities of both GAAP and IFRS. The second participant stated that the objective was to gain the ability to identify and explain the differences between GAAP and IFRS. The final participant stated that the class would focus on the major differences between IFRS and GAAP.

The findings of this study was compared to previous research as it determined that the analyses of IFRS and US GAAP are different (Benzacar, 2008; Collins, Pasewark, & Riley, 2012; Bohusova & Nerudova, 2011; Sunder, 2009; Bradshaw et al., 2010). Sunder (2009) stated that it is important to know the differences between rules and principles in the context of IFRS. Previous researchers have reviewed the major differences in the standards, which include key transitional differences such as consolidation, long-term assets, research and development, financial statements, employee benefits and taxation (American Institute of Certified Public Accountants [AICPA], 2010; Horton & Serafeim,

2010; Markelevich et al., 2010). Therefore, the universities in this study (both funded and not-funded) concur with prior research.

RQ2: How are the specific skills on IFRS identified by accounting professionals taught in existing accounting courses?

Major theme 2: Limited time in existing accounting classes. The second major theme was identified as existing, and focused on how IFRS is normally taught in the accounting courses. Of the three universities, one offered IFRS as a separate class. This university was not grant-funded. All three universities included IFRS in existing intermediate accounting courses.

Because of the lack of guidance on incorporating IFRS into the curriculum, it is obvious that there is a lack of inclusion. Previous research agreed with this statement because it was proven that thirty percent of instructors spend less than 15 minutes covering IFRS, while 26% spend 15 to 30 minutes on IFRS (Zhu et al., 2011). The two universities in the study who include IFRS in existing accounting classes only spend about 10% of the class time on the subject. Fajardo and Merrill (2010) showed that IFRS should be included in both intermediate and advanced accounting courses. However, it was noted in this research that the individual IFRS class (non-funded university) was better equipped to meet all of the desired outcomes and cover the skills listed by the employers as the time on the subject was not limited.

RQ3: How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

Major theme 3: Asking questions on tests. The third major theme related to how the participants ensured that IFRS was fully comprehended and covered in the

curriculum. All of the participants stated that IFRS questions are asked on tests. However, the non-funded university that offered the separate IFRS class also included a comprehensive case study.

It is important that IFRS teaching resides between teacher- and student-centered pedagogy (Coetzee & Schmulian, 2012). This can only be achieved by including cooperative-based learning, case analyses, oral presentations, and role plays in the classes (Coetzee & Schmulian, 2012). One non-funded participant stated that further evaluation of IFRS in the classroom could be determined by increasing the number of test questions and including an IFRS-based case.

Prior research proved that many accounting professors believe that their teaching materials were inadequate when including IFRS (Zhu et al., 2011). Also, textbook publishers are not developing any IFRS-based material until the convergence has taken place (Jackling et al., 2012). The funded participant of this study stated that more resources and end-of-chapter questions are preferred to help further determine the comprehension of IFRS. Therefore, this study proved that students who are only evaluated on a few test questions will not be IFRS-prepared.

RQ4: How does faculty members at universities who received grant funding teach skills differently than those faculty members at universities that did not receive grant funding?

Major theme 4: No difference; already incorporated into classes. The final major theme was identified as incorporation, and focused on incorporating IFRS into the curriculum. Two of the participants stated that the individual professors or departments determined the progress of incorporating IFRS into their existing class.   The other

participant (not-funded) believed that since the university already had an IFRS class, the current attention seemed appropriate and no progress is necessary.

Because of the potential lack of coverage of skills mentioned by employers, it was noted that the universities without an individual IFRS class might want to consider making a change by devoting more time to IFRS. After the convergence, it may be necessary for all universities to incorporate an IFRS-based class into the curriculum as a requirement.

There is no impending law or standard that says IFRS must be taught as a separate course. According to Mintz (2010) and Coetzee and Schmulian (2012), international accounting must be strategically placed in the accounting curriculum, and should be designed to (1) enhance students' global orientation, (2) recognize the differences between the U.S. and other countries' financial statements, (3) enrich class discussions, and (4) increase the desirability among students. Bates et al. (2011) noted during the study that no undergraduate programs required an international accounting course, as in some instances it was offered as an elective. The potential reason for universities electing to keep IFRS in the existing accounting courses is that many faculty members believe that the convergence will mimic US GAAP (Zhu et al., 2011). However, it was determined in this study that until the convergence to IFRS takes place, universities will not make any drastic changes to the accounting curriculum.

Summary

The purpose of this qualitative multiple case study was to review specific IFRS skills, identified by accounting firms, to determine how they are being instructed as part of the accounting curriculum at universities, leading to an understanding of the

preparation of accounting students for professionalism. The results of the study came from the analysis of an online survey conducted with a purposeful sample of three participants. Because of the sample size, saturation may not have been achieved in this study. The four major themes, identified, repetitive and intersecting, were: (a) the ability to differentiate between IFRS and GAAP (b) limited time in existing accounting classes, (c) asking questions on tests, and (d) already incorporated into classes.

The findings were evaluated in comparison to past literature. Current findings for the differences in the standards were comparable to findings of Benzacar (2008), Collins, Pasewark, and Riley (2012), Bohusova and Nerudova (2011), Sunder (2009), and Bradshaw et al. (2010). The time in existing accounting classes associated with IFRS was similar to findings of Zhu et al. (2011) and Fajardo and Merrill (2010). The third major theme of asking questions on tests was compared to the findings of Coetzee & Schmulian (2012) and Zhu et al. (2011). Finally the fourth major theme of the incorporation of classes was similar to the findings of Bates et al. (2011) and Zhu et al. (2011).

Chapter 5: Implications, Recommendations, and Conclusions

The purpose of this qualitative case study was to determine how IFRS skills are being taught as part of the accounting curriculum while evaluating the findings between universities who receive IFRS funding and those that did not receive funding. The limited research on pertinent IFRS skills is demonstrated by Metrejean, Metrejean and Stocks (2008), who stated that companies require potential employees to have some knowledge of IFRS, and this knowledge is based on communication and computer skills. However, educational facilities do not require IFRS or international accounting courses in the curriculum (Bates, Waldrup & Shea, 2011). Zhu et al. (2011) stated that instructors only spend between 15 and 20 minutes on IFRS in accounting courses. The skills that some companies seek are explained broadly by stating a conceptual understanding of IFRS is required (Jones et al., 2009). According to Jones (2009), specific skills that accounting graduates should possess are the ability to apply IFRS, the preparation of IFRS financial statements, and the reconciliation between IFRS and U.S. GAAP. Therefore, the problem was that the proposed accounting standard IFRS was not consistently taught in the accounting curriculum when funding is not provided (Elena et al., 2009).

This study was comprised of a qualitative single case study and the data was collected through surveys and supporting documentation retrieved from three faculty members at universities. The case study included a comparison of universities that did not receive funding to those that did receive funding. The focus of the study was to determine the IFRS skills taught at the universities and to compare the difference in

funded and non-funded universities. The data collected from faculty members included their expertise and perspective of the importance of IFRS.

The findings resulted in the determination of IFRS skills, identified by employers, being taught at universities. The themes were consistent throughout the study due to the specific skills noted and the correlation to the teaching of those skills. Purposeful sampling attributed to a small sample size. The study was also limited by the results because the population was not generalized (Patton, 2002).

Northcentral University's Institutional Review Board (IRB) set ethical assurances that were adhered to during the study. The IRB approved the study and the researcher obtained an informed consent from each participant before data was collected. Participants were ensured that the risks were minimal, participation was voluntary, and anonymity/confidentiality was maintained throughout the study such that no personal identifiers were present and data was stored on a secured device.

This chapter includes the implications of the findings, recommendations, and conclusions of the study. The implications section includes a discussion of the central research question and the findings drawn from the data collected. The recommendations section includes a discussion of the recommendations for recruiting research participants and future research. Finally, the conclusion section includes a summary of the key points derived from the study.

Implications

This study sought to add knowledge to how specific employer-identified skills are being taught in the accounting curriculum. However, this study also provided some additional insight into the difference of the accounting curriculum for IFRS-funded

universities versus non-funded universities. The preceding information on IFRS skills is consistent with the theoretical significance of the curriculum theory, proving that the universities are teaching and implementing IFRS in their curriculum based on the outcome of the adoption of the standard, and not funding (Cho & Tent, 2005).

The nature of the study allowed three faculty members at universities to complete an online survey about their professional teaching experience with IFRS and contribute to existing research on the specific IFRS skills taught. The participants willingly participated in the study and were willing to divulge any helpful supporting information. The participants were aware that their participation was strictly voluntary and they had the ability to withdraw at any time during the survey.

The research participants were provided an opportunity to give their opinion on how IFRS was being taught at their universities, which resulted in findings that supplemented existing research. The participants elaborated on the specific skills they taught in their accounting classes instead of just focusing on the specific skills noted by employers. The study entailed four questions that were derived from the central research question, and eight survey questions were asked to gather data. The findings in this study were consistent with the findings in existing literature regarding the IFRS skills taught in the accounting curriculum (Bates, Waldrup, & Shea, 2011; Elena et al., 2009; Jones et al., 2009, Minz, 2010; Zhu et al., 2011).

Sub-question 1. What IFRS skills do faculty members think are important for success in the accounting profession, and therefore are taught in their curriculum?

This question fit within the purpose of the study implying that the faculty members are aware of IFRS skills that are necessary for success. The major theme

connected to this question related to the differences between IFRS and U.S. GAAP. The differences between IFRS and U.S. GAAP demonstrated significance and contributed to existing literature in that it implied that only the differences were taught in the classroom (not IFRS financial statements and other important skills noted by employers), which related to the unpreparedness of students in the professional realm.

Sub-question 2. How are the specific skills on IFRS identified by accounting professionals taught in existing accounting courses?

Universities have the authority to include IFRS in already-existing accounting classes, or stand-alone IFRS classes. The major theme connected to this question is limited time in existing accounting classes, which implied that IFRS was mainly taught in existing classes, by mostly lecture, with minimal amount of time being spent on the subject. This also related to the unpreparedness of the students.

Sub-question 3. How are university faculty members ensuring that the students fully comprehend the specific skills noted by management at the accounting firms?

Because not much time is spent on IFRS in accounting courses, it is implied that the students are not fully tested on the subject. The major theme that coincided with this question was questions on tests. It is also implied that if students were required to do other assignments, such as case studies, they would have a better understanding of IFRS.

Sub-question 4. How does faculty members at universities who received grant funding teach skills differently than those faculty members at universities that did not receive grant funding?

This question implied that the universities that received grant funding had incorporated IFRS into the curriculum more so than those that did not receive funding.

This seemed to not be the case because the one university that was funded did not have a stand-alone IFRS class in its curriculum (IFRS was incorporated into the existing classes), and the learning objectives were almost the same as the ones that were not funded.

The implications of the key findings proved that the results responded to the study problem and fit within the purpose. The purpose of accounting firms funding universities was to provide adequate resources to include significant accounting coverage in the curriculum, to include specific skills. However, in view of the comparison between funded and non-funded universities, there is no major difference in the inclusion of IFRS in the curriculum unless there is a separate IFRS class, and the specific skills listed by employers are not being consistently taught in the accounting curriculum.

Recommendations

The major themes supported the recommendations for recruiting participants and future research. The recommendations for practical application may provide insight to universities to increase IFRS in their curriculum and include a timeline of when IFRS should be included as a separate class. The recommendations for future research suggested continual research of IFRS adoption until the adoption is finalized and the universities are more focused on IFRS as an individual course covering more specific skills.

Recommendations for recruiting research participants. The challenges of recruitment were evident by the number of participants.   The study gave insight on how to effectively recruit in the future. In particular, the recruiting process could have been more successful if there was a reward for participating in the study.

The researcher could assist the participants in the understanding of the benefits of the study by comparing the costs to the benefits. The benefits for the participants could include monetary rewards, but an intangible benefit would include fulfillment in a meaningful study and their desire to contribute to personal knowledge and skills. The researcher included the intangible benefits in the Informed Consent Form (Appendix B).

The appropriate criteria for selecting participants must be taken into consideration for recruitment. The researcher should be cognizant of potential participants that may be unintentionally excluded from the study. In many instances, relationships must be developed to reduce mistrust. In this study, the recruitment strategy adhered to the best practices.

Recommendations for future research. Accounting faculty members could benefit from the research in that it resulted in a systematic approach to developing accounting curriculum or determining the importance of IFRS to the profession.

Based on the findings of this study regarding important IFRS skills noted by faculty members, future research should seek to better understand the dynamics of the conversion, should there be one. Even if the conversion does not take place, there will always be a significant amount of international companies and accountants should be knowledgeable about the standards. Further research should also explore the possibility of adding IFRS reconciliation and financial statements into the current accounting courses so that students can better compare the statements.

Another opportunity for future research that builds upon the current research findings includes exploring other ways to ensure the comprehension of IFRS skills for students. This could include activities other than test questions, such as projects and case

studies. Research questions could include comparing the difference between students who have other learning methods with those that just have test questions.

Since current research confirms the limited amount of time spent on IFRS in the accounting curriculum (James, 2011; Munter & Reckers, 2009; Zhu et al., 2011; Bradshaw et al., 2010), future research should explore methods to increase the number of universities who offer an IFRS class in the curriculum. More universities include IFRS in the curriculum as part of another class and do not offer it exclusively. Since employers have noted that students are not prepared to demonstrate IFRS skills after graduation, the increase in an IFRS class should increase their knowledge of the topic tremendously. Hence, students will better understand IFRS and be able to compete with other students in the accounting field for better quality jobs.

Conclusion

The faculty members in this study provided insights into how IFRS is covered in their accounting courses while comparing the skills to those noted by employers. It was noted that there was no significant difference in the accounting curriculum between the universities that received funding and those that did not receive funding. The research participants elaborated on what IFRS skills they think are important, how IFRS is covered in their curriculum, and how the students are evaluated on the skills.

The faculty members in this study reported that they spend approximately 10% of their class on IFRS when IFRS is not a separate class. Universities with a separate IFRS class in their curriculum could cover more of the topic and the students would be better equipped with the knowledge to be successful. This could aid in future research by

increasing the learning techniques to include IFRS reconciliation and in-depth financial statements.

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Appendixes

Appendix A: Survey Guide

1. Please describe how IFRS is included in your curriculum at the university
    (individual class vs. inclusion in already-existing class).

2. Describe in your own words, and as fully as possible, your experience with IFRS.

3. What IFRS skills do you think are important for success in the accounting
    profession?

4. Describe from your perspective how the university is making progress towards
    the change to incorporating IFRS into the curriculum.

5. The ability to apply IFRS, the preparation of IFRS financial statements, and the
    reconciliation between IFRS and U.S. GAAP have been listed as necessary for
    employment in the accounting profession. Please state how you teach those skills
    in your accounting courses and how much time is spent on each skill (e.g. lecture,
    e-learning, etc.).

6. What changes do you feel could be made to ensure that IFRS is successfully
    covered in the curriculum?

7. How do you ensure that those individual skills are fully comprehended?

8. Do you have anything to add based on the previous discussion questions?

Appendix B: Informed Consent Form

Case Study of Pertinent Skills of the International Financial Reporting Standards as Identified by Accounting Professionals

Purpose. You are invited to participate in a research study being conducted for a dissertation at Northcentral University in Prescott, Arizona. The purpose of this qualitative case study is to identify accounting firm required IFRS skills and how these skills are being instructed as part of the accounting curriculum at universities. The study will focus on the themes of the convergence to IFRS as they relate to employment and the accounting curriculum. The study is not deceptive. The researcher is merely interested in your experiences, perceptions, and processes associated with IFRS.

Participant Requirements. You will be asked to participate in an online survey. The survey consists of seven open-ended questions pertaining to your experiences and perceptions of IFRS.

Research Personnel. The following people are involved in this research project and may be contacted at any time:
    Dr. Miranda Jennings
    Dr. Gary Keller

Potential Risk/Discomfort. Although there are no known risks associated with this study, the questions will ask you to describe in your own word and as fully as possible your experiences with IFRS. Some participants may feel distress in answering these types of questions. In the unlikely event of experiencing distress, you may withdraw from the study at any time or choose not to answer any question you feel uncomfortable answering.

Potential Benefit. There are no direct benefits to you as a result of participating in this research other than contributing to IFRS body of knowledge. No incentives are offered for your participation. The results of this study may have benefits to those who are preparing for a career in accounting.

Anonymity/Confidentiality. The data collected in this study will be held confidentially. All data will be coded such that the data and your name will not be associated.

Right to Withdraw. You have the right to withdraw from the study at any time without penalty. You may omit responses, or choose not to answer, if you either no longer desire to participate or believe the line of questioning to be distressful.

Signatures
I have read the above description for the Case Study of Pertinent Skills of the International Financial Reporting Standards as Identified by Accounting Professionals study. I understand what the study is about and what is being asked of me. My signature indicates that I agree to participate in the study.

Participant's   Researcher's
Name: _____   Name:_____

Participant's   Researcher's
Signature:_____   Signature:_____

Date:_____