focuses on the reconciliation items filed by these companies, which included 102 first-time adopters of IFRS. The analysis summarizes and discusses the most commonly reported differences presented by these companies.

Next, the monograph specifically reports on 28 major recognition and measurement differences between IFRS and U.S. GAAP (including some disclosure differences). This section, Reported Differences, presents extracts from various company reports and indicates the relevant Financial Accounting Standard (FAS) and IFRS at issue. This would be a useful tool for faculty members who have yet to implement IFRS into the curricula and who use textbooks which lag in the explanation of these differences. Faculty members can use this monograph alongside a current textbook (which likely presents U.S. GAAP reporting standards) to illustrate the impact of IFRS to students. The presentation format allows the reader to see how different (and in some cases not so different) the U.S. standards are from the international standards. While it does not include calculations for the implementation of these standards nor the language of the standards, by referencing the appropriate IFRS, students can use this monograph to discuss and examine the differences. It would be most useful for students to have access to IFRS to obtain the maximum benefit from this approach. Additionally, this piece is a valuable resource for readers to see the practical differences between the rules-based U.S. GAAP and the principles-based IFRS. This is particularly relevant and important given that FASB has given attention to IFRS over the past few years; however, prior to that (and particularly when IFRS were not present) FASB did not do so. Therefore, differences are present which are highlighted throughout this monograph.

The fourth section of the monograph is devoted to explaining the implication and approach to applying IFRS for first-time adopters as outlined in IFRS No. 1. This will be very important as more firms implement IFRS.

Finally, the monograph presents the major differences as broken down by seven industry sectors (air transport, chemicals, extractive industries, financial services, pharmaceuticals, telecommunications, and utilities and energy). Further, it outlines the major differences between U.S. GAAP and IFRS present in each sector in a similar fashion as above, by presenting extracts from the reports of companies in each sector. This provides an interesting outlook as to the impact the implementation of IFRS will have on each sector. The informative tables present for each company in the sample show net profit and net equity were different under U.S. GAAP and IFRS, including detail on the areas which caused the differences. This can be a useful educational tool not only for students, but for preparers and analysts alike.

REFERENCES

KPMG LLP, and American Accounting Association. 2008. *University Professors Weigh in on Building IFRS into Curricula: Small Number of Universities Will Be Ready For 2008–2009 Academic Year, According to KPMG-AAA Survey*. New York, NY: KPMG.

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DAVID ALEXANDER AND CHRISTOPHER NOBES, *Financial Accounting: An International Introduction*, Third Edition (Harlow, U.K.: Prentice Hall, Financial Times, Pearson Education Limited, 2007, xviii, 478 pp, ISBN 978-0-273-70926-8). Information available at: www.pearsoned.co.uk.

This book is written by two individuals who are experts on the subject of International Accounting Standards (IAS). Their accumulated knowledge and experience combined with a straightforward writing style has resulted in an introductory yet comprehensive International Financial Reporting Standards (IFRS)-based textbook, which I also found to be a good read. The topics are developed in good sequential order, with relevant examples, clear, concise statements of fact, and questions to stimulate classroom discussion. The text is equally appropriate for an undergraduate or graduate first accounting course.

One of the things I really appreciate about this textbook is that Part 1, The Context of Accounting (Chapters 1–7), alternates between the social structures that influence accounting (e.g., the purpose and use of accounting information [Chapter 1], the accounting framework and concepts, and harmonization) and an overview of more specific accounting topics, such as the difference between each of the financial statements (balance sheet-point-in-time versus income statement-the flows), the contents of the financial statements, and financial ratio analysis. Chapter 2, Some Fundamentals, presents accrual accounting through a discussion of basic transactions on the balance sheet and income statement. This chapter and Chapter 7 could easily be lifted out of this textbook and into a U.S. Generally Accepted Accounting Principles (GAAP)-based textbook without any changes. Chapter 3 discusses the IFRS framework. Chapter 4, The Regulation of Accounting, includes a comparison of several countries, including the United States. Chapter 5 is loaded with background information and imparts an understanding of the international nature of accounting, and explains why there are differences between financial reporting systems. Chapter 6 discusses the presentation requirements of IAS 1 and the European Union (EU) Fourth Directive. Chapter 7, Financial Statement Analysis, includes a discussion of all the standard financial analysis ratios.

Chapters 8–16 (Part 2, Financial Reporting Issues) delve into the details of the accounting for fixed assets (includes impairment and lease accounting), inventory (includes construction contracts and, even though it is not allowed by IAS 2, Last-In-First-Out [LIFO]), financial assets (cash, investments), liabilities, provisions, taxes, the cash flow statement, consolidation, foreign currency translation, and accounting for price changes. Throughout this part of the textbook, references are always made to the relevant IFRS standard, grounding the discussion in the IFRS framework. In every chapter, the recognition criteria and measurement choices are evaluated. Examples from company accounts are numerous and value-adding. The exercises at the end of each chapter are clearly written and test the student's knowledge.

The authors have included Chapter 17, Financial Appraisal, and Chapter 18, International Analysis, to illustrate that accounting policy choice does matter. In my opinion, these are more advanced topics and could easily be omitted from the undergraduate syllabus. Chapter 17 covers investment ratios such as earnings per share, dividend yield, and the price/earnings ratio. Chapter 18 discusses the impact on the financial statements when different GAAPs are applied and the reconciling items often found between IFRS and U.S. GAAP. Norsk Hydro, reporting under both U.S. and Norwegian GAAP until 2006, is used as an example of an increase in harmonization when Norwegian standards became more harmonized with U.S. GAAP. In 2007 Norsk Hydro issued IFRS financial statements for the first time, and the *Conversion to IFRS* document and Norsk Hydro's 2007 financial statements, which include Note 47, *Conversion to IFRS* (from U.S. GAAP), can be found at www.hydro.com.

Appendix A, Double-Entry Bookkeeping, is not GAAP-dependent and is a good introduction to double-entry bookkeeping without getting into any of the more complicated issues like derivatives, fair value accounting, or impairments and impairment reversals. Appendix B is a succinct summary of each standard issued through 2006. Good supplemental materials (e.g., materials prepared by any of the Big 4 audit firms) are a must for teaching purposes to be able to give students current IFRS information. I would have preferred a presentation of the standards starting with the new IFRS and then the IAS standards, similar in order to the published standards book. The authors also do not include any information on International Accounting Standards Board (IASB) agenda topics. Items I would have included, with more of an American audience in mind, are that IAS 1 requires disclosure of capital management policies, that IAS 2 does not allow LIFO, that under IAS 7 cash on the statement of cash flows is not necessarily the same definition as cash on the balance sheet, that IAS 12 requires deferred tax assets and liabilities to be shown net, and that the related-party disclosures required by IAS 24 include top management and board of director remuneration. Appendix C is an outline of the content of the EU's Fourth Directive on Company Law, and Appendix D gives answers to the first two exercises from each chapter.

The book concludes with a glossary of terms and an index. Language is only one of many challenges when preparing financial statements used internationally, and using English does not immediately eliminate our communication challenges. The authors use examples to illustrate that British English and American English are two different languages, especially as related to accounting terminology. In the glossary of terms, the definition of provision includes a discussion of the difference between the U.K. and U.S. use of provision, reserve, and allowance. IASB standards are written using British English, and this terminology is also used throughout the textbook. Chapter 1 includes a table with examples of different U.K., U.S., and IASB accounting terms. This allows the non-British English-language reader to immediately be aware that an associate, for example, is an equity accounted entity. In Chapter 11, the authors illustrate the dangers of trusting financial statements translated to English without an understanding of the differences between U.S. and U.K. usage by giving the reader published examples of an error made when translating the word "reserve." In the U.K., reserve is used as an allocation of equity while provision means an obligation to pay money. In the U.S., there are no legal reserves, so these words are often used interchangeably. Chapter 18 discusses language translation difficulties with illustrative examples, and Table 18.1 (page 360) lists U.K. and U.S. terms used in British Telecom annual reports from 1999 and 2006.

The book is intended as an introductory textbook in financial accounting, but is not set in any one national context. While first impressions might be that the book is most appropriate for a European classroom, the truth is that it will function extremely well in an introductory accounting course in any country, especially if that university is interested in giving their students a cutting-edge education. If an American university were to adopt this textbook in all introductory financial accounting courses, layer U.S. GAAP- and IFRS-specific knowledge on top in the intermediate and advanced financial accounting courses, and finish with an accounting theory course that includes examples from both U.S. GAAP and IFRS, students would receive a core curriculum in financial accounting that prepared them with the knowledge they needed to be successful accountants and auditors in today's global market.

This would also be a good segue curriculum for the interim period when American universities must start training in IFRS but cannot yet relinquish their U.S. GAAP-specific training.

My journey from accounting professor in the U.S. to corporate accounting in Norway (via accounting professor and auditor in Norway), while at the same time learning Norwegian GAAP and then IFRS, has been full of interesting discussions, and the discoveries that the similarities can outnumber the differences, that a principles-based approach does work, and that fewer detailed standards only means fewer details to memorize and more opportunities for professional decision-making. As a final comment, and a specific message to anyone not yet familiar with IFRS: perhaps the thought of teaching a course based on IFRS principles is overwhelming, due to the perceived number of differences between U.S. GAAP and IFRS, and the challenge to create a more principles-based thought-process approach to analyzing accounting issues in the classroom. Make it easy on yourself and adopt this textbook, and if you are not facing the excitement and challenges that go with teaching the introductory course, become familiar with IFRS by reading the book and starting on your own IFRS journey. You can easily skip over the parts you already know from your own GAAP.

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ABBAS ALI MIRZA, MAGNUS ORRELL, AND GRAHAM J. HOLT, *Wiley IFRS: Practical Implementation Guide and Workbook,* Second Edition (Hoboken, NJ: John Wiley & Sons, Inc., 2008, 496 pp, ISBN 978-0-470-17022-9). Information available at: http://www.wiley.com/WileyCDA/WileyTitle/productCd-0470170220.html.

This second edition of the text was updated and expanded by including extracts from notable published financial statements for the purpose of illustrating practical application of International Financial Reporting Standards (IFRS). The authors examined the new and revised pronouncements, especially IFRS No. 8, as well as IFRS No. 1, IFRS No. 2, IFRS No. 3, International Accounting Standard (IAS) 23, IAS 27, and International Financial Reporting Interpretation Committee (IFRIC) Nos. 10 to 14.

The text contains 39 chapters. The first introductory chapter deals with a short history of the International Accounting Standards Committee (now reorganized as the International Accounting Standards Board [IASB]), the importance of IAS in a dynamic global business environment, the various countries that have adopted them, and the fundamental differences between the Financial Accounting Standards Board (FASB) and the IASB, and the standards they set. The last chapter, Chapter 39, covers IFRS No. 7, *Financial Instruments: Disclosures*. The other chapters are not presented in a well-defined order. While the IASB's Framework was presented in Chapter 2, this heading is misleading because what is presented is not the IASB's framework but a modified version agreed upon between FASB and IASB, of which a final one will not be ready until 2010.

The text does not properly define what it calls "Components of Financial Statements." For example, components of financial statements on page 14 have a serious omission in that it leaves out "The Balance Sheet." Components of Financial Statements should, in fact, read "What Constitutes Financial Statements" as a group taken together. Another observation about that issue is the idea of lumping together significant accounting policies with Notes to the Accounts. Although the practice of putting the two together is pervasive, the IASB's original idea of making *Accounting Policies* as the First and Separate Standard has merit because any reader of accounting policies gets informed of what to expect in other components. The extracts of financial statements presented on pages 22–23, and 342 are rather too long and could have been abbreviated.

On the positive side, the practical insights presented in most of the chapters seem to break the boredom of reading a technical text that has no defined order of presentation or stated objectives for each chapter. However, as a workbook, not many pedagogical discussions are expected, which makes the text reader-friendly and interesting. The solutions to problems and answers to multiple-choice questions are provided at the end of each chapter as expected.

The strength of the book lies in the well-selected illustrative problems, diverse and rich cases, practical problems, and the discussion of their solutions. In addition, it is concise, simple to read and follow. Patient readers will find it extremely helpful as a reference text for an International Financial Reporting Seminar or as a supplementary text for an advanced accounting course. For students interested in the history of accounting development worldwide, it is an important addition to the literature. The user, nonetheless, must understand that certain portions of the book are subject to sudden changes and must not be quoted without looking for updates of IASB or FASB materials each year (i.e., the currency of its contents must be checked before being quoted).

The book is well written by authors who are on top of their game. It is a very good exposition on IFRS and IFRICs—a trailblazer in its own right. It accomplished the objectives it set out to accomplish, such as providing