



## ACCT 742 – ACCT 242 Problems in Financial Reporting

### Spring 2014 SYLLABUS – Preliminary

Note: The syllabus will likely be updated as the semester goes along

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#### Course Overview

Financial statements are a primary means for firms to communicate information about their performance and strategy to investors and other groups. In the wake of numerous accounting scandals and the recent financial meltdown (which accounting both helped and hindered), it is more important than ever for managers and investors to understand (i) the financial reporting process, (ii) what financial statements do and do not contain, and (iii) the types of discretion managers have in presenting transactions they have undertaken. This course is designed to help you become a more informed user of accounting numbers by increasing your ability to extract, interpret, and analyze information in financial statements.

We will focus on many of the biggest problem areas of financial reporting: While this is not a course in equity valuation *per se*, equity valuation is one of the most common uses of financial statement data. Accordingly, we will examine the relation between stock prices and financial statement information. We will also study the use of financial ratios and forecasted financial statement data in models of distress prediction.

The course assumes a solid understanding of basic financial accounting (at the level of Acct 611 or A613).

#### Course Materials

**Bulkpack** The bulk pack is available at Study.net. In addition, virtually all of the material will be available in the eRoom for Acct 742 on Canvas.

**Text:** Revsine, Collins, Johnson, Mittelstaedt, *Financial Reporting and Analysis*, 5th ed., Prentice Hall, 2011. This text serves as a reference on accounting and disclosure topics. Note that the course is not a textbook-based course. The text readings provide supplementary information and information useful for preparing the problems and cases.

**Canvas** The course has a room on Canvas that you can log onto with your User name and Password.

The ASSIGNMENTS folder provides links to the notes, readings, cases, etc for each class session.

Within the FILES folder is all the Course Material. There is a sub-folder for each class session, as well as one for the syllabus and the exams. Inside the folder for a given class session, you will see three or four subfolders:

**Bulk Pack Material:** This includes notes, problems, cases, and readings that were included in the bulk pack.

**Pre Class Material:** New readings, problems, and cases (ones not included in the course pack) are contained here. This folder will also have any spreadsheets available to help work the problems and cases. Finally, this folder will contain power point slides that will constitute the outline of what we'll cover in class that day. Many students find that printing out the slides before class helps them follow along better. Two to three slides per page is a good compromise between not using up too much paper and having room to jot down notes.

**Solutions and Post Class Material:** This is where I'll post solutions, corrections, etc

## **Office Hours**

Feel free to call with questions or contact me via email at the address above. E-mail is often an easier and quicker way to get your questions answered. Office Hours are by appointment.

## **Grading and Course Requirements**

Your grade for the course will be determined on the basis of :

Class Participation	20 %
Midterm Examination	20 %
Group Project	25 %
Final Exam	<u>35 %</u>
Total	100 %

## **Class Participation**

The amount of learning that takes place in the course will depend on how active the class discussions are, which is dependent on the amount of preparation you do before class. Class participation will be based on your contribution to the class discussions and analyses, not simply on the amount of time you talk. If necessary, I will cold call students.

Because entering or leaving the classroom during class time is disruptive to the learning environment, your fellow classmates and I expect that you will not do so, except in an emergency.

Please bring to each class a Name Card, with your name printed in **LARGE DARK LETTERS**. This will facilitate my getting to know your names and my ability to reward you for class participation.

## **Midterm Exam:**

The Midterm Exam is scheduled to be available by **Monday March 3** at noon (online) and is to be handed in (to the Accounting Suite – SH-DH 1300) by **Wednesday March 5 at 4:00 pm**. It is an open book-open notes exam. The Midterm Exam will cover material covered in class through Wednesday, February 26th.

More details on the exam will be provided as the time gets closer.

**You must work on the exam individually.** You are not permitted to discuss the exam with anyone else, including other students, former students, or people in the real world. However, you are permitted to use any written resource, such as your notes, the textbook, information on the company you find on the web, etc. Violations of these procedures will constitute cheating and could result in receiving an F for the course.

Questions and solutions from prior exams will be available on Canvas.

### **Group Project:**

Your group must identify a firm that has been the subject of an accounting controversy (alleged or real). You can use internet search engines to help you pick your firm, SEC actions, etc. Choose a firm and accounting issue you are interested in.

Groups can be composed of up to 4 students (no exceptions). Groups may contain a mixture of students from my different sections. Group composition must be finalized by **March 17** (just after we return from Spring Break). In addition each group must obtain approval for the company they're going to work on by that date. The earlier you decide on a company, the more time you'll have to work on it. I strongly encourage you to form your teams sooner than this and to get started on your project before this date as well.

Group Projects must be turned in by **Monday April 7th at 4:00 pm**. A hard copy must be turned in to the accounting suite. In addition an electronic copy should also be sent to me (by that same time).

Once you have identified a firm and its accounting controversy, send me an email letting me know who and what you've selected. Include a brief statement for what you believe the accounting issues for that firm are. An article from the financial press describing the controversy would probably work here. If I feel the firm/controversy is inappropriate, not complex enough, or too complex, I will veto it.

More details are provided below, and additional information will be provided during class and on the course web page.

First, find a company that has been criticized or investigated for some questionable *accounting practice*.

- Good places to search include popular press articles, analysts reports, or the SEC accounting enforcement page (<http://www.sec.gov/divisions/enforce/friactions.shtml>). In addition, short seller reports (or lists of companies with a lot of short sellers) can also be useful.
- Make sure that you choose a firm with questions about its accounting practices and/or judgments rather than a firm that has committed outright fraud. For example, a firm that ships empty boxes and books revenue is a fraud. A firm that ships actual product and books all of the revenue without any provision for bad debts has questionable accounting practices. Many controversies may include elements of fraud, but they should not be exclusively fraud.
- Do *not* choose Enron, WorldCom, AOL, Sunbeam, or Microstrategy.
- Do not choose any firm and their accounting controversy that we will be covering in class. For example, it's perfectly OK to pick a firm that has been found to have pension accounting, but don't pick American Airlines – because that's the pension case we'll be doing in class.

- It's perfectly fine to pick a non-US company for your project. You might need to learn the local country (or IFRS) rules in more detail to do a non-US company. Financial statement details might also be harder to come by.
- Multiple groups can investigate the same company, but they *must* work *independently*!
- The degree of difficulty will be taken into account in grading your project. Thus, you are *encouraged* to investigate accounting issues that are difficult and that we haven't covered, or won't cover, in class.
- Companies with problems that have occurred within the past 5 years will be given more credit than problems that occurred longer ago.
- You will need to find financial statements for the company. Search for the company on the SEC Edgar system (which can be accessed through the Lippincott Library page) or check out the company's web site to ensure you have access to financial statements.
- If you have any questions, please feel free to talk to me about your choice of company to investigate.

Once you have chosen a company, write a report on the company that addresses the following issues:

1. Describe the economic transaction(s) underlying the questionable accounting. Discuss the transaction in the context of the company's business and strategy (you may need to look in the company's annual report for this material).
2. Describe the accounting procedure used by the company and the accounting procedure that "should" have been used according to the critics of the accounting practice. Journal entries may be helpful here in laying out the accounting. What is the basis or justification for the company's accounting practices and for the alternative accounting practices in terms of accounting rules and concepts? How detailed or forthcoming about the accounting procedure was the company in its annual report prior to the controversy?
3. What indications were there (if any) of the problem that an astute analyst might have seen in advance?
4. Do you agree with the critics that the company's accounting practices were wrong, given your answers to the above questions? Why or why not? Note that, just because a company gets criticized for its accounting, it is not necessarily doing the wrong thing. Microsoft has been investigated by the SEC numerous times for questionable accounting practices and has been cleared every time. Are there changes to accounting or auditing standards you would recommend based on what happened?
5. If the company were to restate its financial statements using the accounting procedure that "should" have been used, what would be the effect on the a) income statement, b) balance sheet, and c) statement of cash flows? You do not have to replicate the entire statement; you just need to indicate changes (e.g., accounts receivable would increase, net income would decrease, etc.)
6. Why do you think the alleged problem occurred?

7. What were the consequences of the revelation/resolution of the problem? What happened to the firm's stock price? Did anyone get prosecuted or sent to jail? Were any fines levied? Etc.
8. Does the revelation of the company's alleged flawed accounting practices change your assessment of the company's long-run value? If so, how? If not, why not? Here I want something more substantive than the statement "value is based on cash flow, not on accounting numbers."

Hand in the following:

- A written report which addresses these issues. There is no page or word limit on your write up of this assignment, but please use 12 pt. font and at least a 1" margin on each side.
- The article, analyst report, or SEC enforcement bulletin that alerted you to the situation.
- Any other exhibits or material to support your analysis.
- The most relevant set of financial statements issued by the company prior to the controversy should be made available electronically

### **Final Exam**

The final exam will be a take-home exam. It will be open-book and open-notes. While it is "officially" cumulative, it will concentrate on material covered since the midterm exam.

The final exam is a take home that will be distributed shortly after the last day of class – roughly **Monday May 5th**. It is due (in the accounting suite- 1300 SH-DH) on **Friday May 9<sup>th</sup> at 4 pm**.

**As with the midterm exam, you must work on the exam individually.** You are not permitted to discuss the exam with anyone else, including other students, former students, or people in the real world. However, you are permitted to use any written resource, such as your notes, the textbook, information on the company you find on the web, etc. Violations of these procedures will constitute cheating and could result in receiving an F for the course.

Questions and solutions from prior exams will be available on Canvas.

### **Grading Disputes**

All grading disputes must be appealed within *two calendar weeks* following the return of the assignment or exam (unless otherwise noted). *A request for a regrade will not be considered if it is submitted more than two week after the return of the assignment or exam (or after the specified deadline).* To have an assignment or exam regraded, you must submit the original (with no modifications) and a written description of your disagreement with the initial grade.

## Preliminary Course Outline

<u>Session</u>	<u>Date</u>	<u>Topic</u>	<u>Problem/Case</u>
1	Wed Jan 15	Introduction	Enron and Cisco
	Mon Jan 20	<b>No Class – Martin Luther King Jr Day</b>	
2	Wed Jan 22	Accounting Earnings Quality	Corbomax
3	Mon Jan 27	Earnings Per Share and Dilution	Ciber Inc
4	Wed Jan 29	Cash Flow Quality	SCF - Alpha and Beta SCF - Epsilon and Omega
5	Mon Feb 3	Revenue Recognition – Concepts	Revenue Recognition Vignettes Merck
6	Wed Feb 5	Revenue Recognition and Cash Collected	HP and Autonomy
7	Mon Feb 10	Revenue Recognition – Returns, Repurchases, Recourse	Lehman
8	Wed Feb 12	Fair Value and Unrealized Gains and Losses	Morgan Stanley
9	Mon Feb 17	Derivatives	American Airlines
10	Wed Feb 19	Risk Disclosures	Cisco Systems
11	Mon Feb 24	Stock Option Accounting	Google – part 1
12	Wed Feb 26	Valuing Stock Options	Google – Part 2 Valuing a Stock Option
13	Mon Mar 3	Income Taxes (not on Midterm 1)	General Motors
		<b>Midterm Exam</b>	
14	Wed Mar 5	<b>No Class</b>	
	Mar 8 - 16	<b>NO CLASS – SPRING BREAK</b>	
15	Mon Mar 17	Income Taxes	EBIX
16	Wed Mar 19	Long Term Assets - International	Land Securities
17	Mon Mar 24	Intangible Assets	Sun Microsystems
18	Wed Mar 26	Long Term Debt – Market vs Book Values	Royal Bank of Scotland
19	Mon Mar 31	Leases, and Convertible Debt	CVS-Caremark
20	Wed Apr 2	Pensions and OPEB	American Airlines
21	<b>Mon Apr 7</b>	<b>NO CLASS - GROUP PROJECT DUE</b>	
22	Wed Apr 9	Consolidations	Coca-Cola
23	Mon Apr 14	SPE's and Variable Interest Entities	Citigroup
24	Wed Apr 16	Multinationals and Foreign Currency Translation	Eyepass Worldwide
25	Mon Apr 21	Segmental Reporting and EVA	Pepsi
26	Wed Apr 23	Other Performance Measures	Millennium Pharmaceuticals
27	Mon Apr 28	Compensation and Governance Disclosures	TBA
28	Wed Apr 30	Course Summary	None

## **Preliminary Schedule of Assignments**

RCJM refers to Revsine, Collins, Johnson, Mittelstaedt, *Financial Reporting and Analysis*, 5th edition

### **Session 1    Wednesday January 15    Introduction**

Read:            RCJM: Chapter 1 (skim)  
                     Notes on Audit Report  
                     Notes on Sarbanes Oxley Law – Sections 302 and 906

                     MD&A: Revealing the Soft Numbers

Skim these:

                     The Rise and Fall of Enron  
                     Timeline of the major Enron-related events  
                     Timeline of key events leading to Andersen demise  
                     An Enron Primer  
                     The New Breed of Fraudster

Prepare:        Cisco Systems

### **Session 2    Wednesday January 22    Accounting Earnings Quality**

Read:            RCJM: Chapter 2 pp. 57-83; Chapter 3, pp. 152-164; Chapter 5, pp. 249-252,  
                     Chapter 7, pp. 396-399

                     Notes on Structure of the Income Statement  
                     Notes on Accounting Changes  
                     Comparison of Methods  
                     Changes in Accounting For Changes

Prepare:        Corbomax



### **Session 3   Monday January 27   Earnings Per Share and Dilution**

Read:                      RCJM Chapter 15 (Concentrate on pp. 905-911)

Class Notes – Dilution and Earnings Per Share  
Dilution of Employee Stock Options  
Accounting for Accelerated Share Repurchase Programs

#### **Skim These**

New EITF Pronouncement Aims to Close CoCo Loophole  
Ciber Declares it will Settle at least 30% of its Convertible Debt in Cash  
Helps Mitigate FASB Stance  
Ciber's Money Where Its Mouth Is  
Move Over CoCo's: Net Shares Will Do

Practice Problems:    Earnings Per Share Illustrations  
Accelerated Share Repurchase (ASR) Illustration

Prepare:                Ciber, Inc – Stock Options, Convertible Debt, and Dilution

### **Session 4   Wednesday January 29   Cash Flow Quality**

Read:                      RCJM: Chapter 17 (this should all be review, concentrate on pp. 1041-1051).  
RCJM: Chapter 4, pp. 208-220

Class Notes on Cash Flow Statement

#### **Skim These:**

Cash Flow Never Lies, Or Does It?  
How Comcast Does Its Counting – 'Cash Flow' Looks Better Using Non-GAAP  
Metric  
Cash Flow? It Isn't Always What it Seems  
Testimony of Richard Roach on Enron Prepays

Prepare:                Alpha and Beta  
Omega and Epsilon

## **Session 5    Monday February 3    Revenue Recognition – Concepts**

Read:            RCJM Chapter 2, pp. 61-69, Chapter 3, pp. 149-152

Notes on Revenue Recognition  
Gross versus Net Presentation of Revenue

Skim These:

All Revenue is Not Created Equal  
Rulemakers Launch Revenue Recognition Makeover  
Revenue Recognition – Will a Single Model Fly  
New Revenue Recognition Rules – The Apple of Apple's Eye

Yahoo, Google, and Internet Math  
Accounting Change Cuts Groupon's Revenue  
Xerox Settles SEC Enforcement Action

Prepare:        Revenue Recognition Vignettes  
Merck

## **Session 6    Wednesday February 5    Revenue Recognition and Cash**

Read:            RCJM Chapter 3, pp. 142-146  
RCJM Chapter 8, pp. 425-435

Class Notes on Revenue Recognition and Cash Collected  
Installment Method – An Example

Skim These:

Hewlett's Loss – A Folly Unfolds, By The Numbers  
How HP's Meg Whitman is Passing the Buck  
HP's Explanation Still Makes No Sense  
With Autonomy, HP Bought an Old Fashioned Accounting Scandal, Here's how it worked.

Prepare:        HP and Autonomy

## **Session 7   Monday February 10   Revenue – More Concepts**

Read:                      RCJM: Chapter 12 (skim – esp. pp 693-722 and pp. 727-729)

The Origins of Lehman's "Repo 105"  
Report Shows How, Collapsing, Lehman Hid Woes  
MF Global Proves Enron-Era Accounting Lives On  
Subprime Mess Fueled by Crack Cocaine Accounting  
Once Upon a Time, in the Land of Subprime

Practice Problem:      Three Banks

Prepare:                 Lehman Brothers

## **Session 8   Wednesday February 12   Fair Value – Unrealized Gains and Losses**

Read:                      RCJM: Chapter 11, pp. 611-640; Chapter 16, pp. 949-961; Chapter 8, p. 439-440.

Class Notes on Fair Value Accounting (Mark to Market)  
Fair Value Measurements

SEC – Fair Value Savior  
Fair Value Roundtable  
Fair Value Accounting is Alive and Well  
Financial Reporting and the Financial Crisis: The Case for Measuring Financial  
Instruments at Fair Value in Financial Statements

Skim These:

It's Time to Get Real About Realizations  
FASB's New Draft on Values: Good News and ...

Prepare:                 Morgan Stanley

## **Session 9   Monday February 17   Derivatives**

Read:                      RCJM: Chapter 11, pp. 643-661.  
                                Class Notes On Hedging and Derivatives

Derivative Wars

Skim These:

Southwest Hedges Curb Rising Fuel Cost  
Airlines Try To Hedge the Cost of Fuel They Buy Months in Advance  
Southwest Posts First Loss in 17 Years”  
Goldman Sachs’ Report on Porsche  
IASB and FASB issue common offsetting disclosure requirements

Practice Problem:      Global Candy Company

Prepare:                  American Airlines

## **Session 10   Wednesday February 19   Risk Disclosures**

Read:                      RCJM: None  
                                Summary FAS 161  
                                SEC-Market Risk Disclosures: Enhancing Comparability (concentrate on  
                                pp. 62-67)

Skim These:

Value at Risk  
Risk Mismanagement  
VAR – Point Counterpoint  
Lost in the Maze

Prepare:                  Cisco Systems and Microsoft

## **Session 11 Monday February 24 Employee Stock Options**

Read: RCJM: Chapter 15, pp. 911-924

Class Notes on Employee Stock Options , Dilution, and Notes on Earnings Per Share  
Accounting for Stock Options  
Buffet vs Grove

Skim These:

“From FASB and IASB to Managers: Don’t Stop Feeding at the Option Trough”  
“Google’s Optional Windfall”

Prepare: Google – Part 1

## **Session 12 Wednesday February 26 Valuation of Employee Stock Options**

Read: RCJM: Chapter 7, pp. 385-396 (skim)  
The Best Way of Valuing Options,  
New Valuation Model could dampen the controversy over expensing employee stock options

Deciding Value of Stock Options May Be Tricky --- Lack of Universal Method  
For Determining Amount Poses Dilemma for Firms,  
Using the Black Scholes Model  
How To Excel at Option Valuation

Skim These

Google Creates Options Market  
Are TSO’s A New Trend?  
Expected Life After SAB 107 and SAB 110” (skim only)

Prepare: Google - Part 2  
Valuing an Employee Stock Option (see spreadsheet on Canvas)

**Session 13 Monday March 3 Income Taxes – Part 1**

Read: RCJM: Chapter 13 (especially pp. 773-786)  
Class Notes on Income Taxes  
Accounting for the Income Tax Consequences of Share based Compensation  
  
Tech Titan's Tax Picture is Clouded by Options  
  
Prepare: General Motors

**Session 14 Wednesday March 5 NO CLASS**

## **Session 15 Monday March 17 Income Taxes – part 2**

- Read: Class Notes On Income Taxes – part 2  
Reporting Uncertain Tax Positions
- Skim: Fin 48: Standing Naked Before the IRS  
Uncertainties Created by Fin 48  
Understanding Fin 48  
Lost in Translation: Detecting Tax Shelter Activity in Financial Statements  
How Apple Sidesteps Billions in Taxes  
Apple's Response on its Tax Practices
- Practice Problem: Accounting for Taxes: Illustrative Example and Solution
- Prepare: EBIX

## **Session 16 Wednesday March 19 Long Term Assets – International**

- Read: RCJM: Chapter 10, pp. 586-591  
Knight Frank Report - Land Securities Group
- Practice Problem: Reidl Realty Trust
- Prepare: Land Securities

## **Session 17 Monday March 24 Intangible Assets**

Read: RCJM: Chapter 10, pp. 564-571  
Valuing Intangibles: A Primer  
A Primer on Goodwill Impairment

Skim These:  
In-Process R&D in Business Acquisitions”  
Corporate writedowns may hit \$1 trillion  
Measuring the Intangible Assets of a Firm  
Brand Valuation – Interbrand  
The Top 100 Global Brands - 2013

Prepare: Pfizer

## **Session 18 Wednesday March 26 Long Term Debt – Market vs Book values**

Read: RCJM: Chapter 11, esp. pp. 611-635  
RCJM: Chapter 15, pp. 924-929

Practice Problem: Historical Cost vs Market Value of A Bond  
Practice Problem: Metro-Goldwyn-Mayer Inc

Prepare: Royal Bank of Scotland



## **Session 19 Monday March 31 Leases and Convertible Debt**

- Read: RCJM: Chapter 12 (skim); Chapter 15, pp. 924-930  
Class Notes on Accounting for Leases
- Skim: Hidden in Plain Sight  
Open Secrets: How Leases Play a Shadowy Role in Accounting  
Out of the Footnotes, Into the Spotlight  
IASB and FASB Announce Intention to Re-examine Leasing Proposal
- Read: Class Notes on Accounting for Convertible Debt
- Skim: Convertibles: Get Ready to Lever Up
- Practice Problem: Accounting for Convertible Debentures – An Example  
Accounting for Convertible Debentures – Solution  
MGM
- Prepare: CVS  
Intel

## **Session 20 Wednesday April 2 Pensions and OPEB**

- Read: RCJM: Chapter 14  
Class Notes on Pensions
- Skim These: Pensionphobia Strikes Again  
Pension Accounting Change Could Make Company Profits Less Predictable  
Stock Options, Yes. Pension Coffers, No  
Public Pensions Cook the Books  
Detroit Ruling Reverberates Around Country
- Practice Problems: Pension Accounting - An Example and Solution
- Prepare: American Airlines

**Session 21 Monday April 7 NO CLASS**

**Session 22 Wednesday April 9 Consolidations**

- Read: RCJM: Chapter 16, pp. 961-977  
Class Notes on Business Combinations - New Rules  
Class Notes on Accounting For and Presentation of Noncontrolling Interests
- Skim These: Mishmash Accounting  
Coke Acquires North American Unit of Bottler
- Practice Problem: Goodwill and Noncontrolling Interests in Acquisitions Examples  
Consolidation and Equity Method Illustration
- Prepare: Coca-Cola (see spreadsheet)

### **Session 23 Monday April 14 Organizational Structure - SPE's and VIE's**

Read: RCJM: Chapter 11, pp. 641-643  
RCJM: Chapter 16, pp. 980-981

Update on Consolidation of Variable Interest Entities: Changes to criteria for Primary Beneficiaries, definition of variable Interest entity, disclosures  
Summary of FAS 167

Skim These: Enron and the Raptors (SKIM)

Practice Problems: Expected Losses Residual Returns Example  
Find the Primary Beneficiary Example

Prepare: Alza

### **Session 24 Wednesday April 16 Multinationals and Foreign Currency Translation**

Read: RCJM: Chapter 16, pp. 982-988  
Class Notes on Foreign Currency

Skim These: As Exchange Rates Swing Carmakers Duck  
Natural Performers

Practice Problem: Hyperana

Prepare: Eyepass Worldwide

## **Session 25 Monday April 21 Segmental Reporting and EVA**

Read: RCJM: None  
Class Notes on Segmental Reporting  
Class Notes on EVA as a Performance Measure

Skim These:  
At last! The light at the end of the corporate performance tunnel  
Accounting Standard for Segment Reporting Mostly Working

Prepare: Pepsico and EVA

## **Session 26 Wednesday April 23 Other Performance Measures**

Read: RCJM: None  
Class Notes on Alternative Definitions of Earnings

Skim These:  
A Clear Look at EBITDA  
The Evils of EBITDA  
EBITDA's Foggy Bottom Line  
Top 10 Limitations of EBITDA  
Six Letters That Should Spell Danger To Investors  
  
Out, by \$100 billion - How Pro Forma Accounting Boosts Profits  
New SEC Requirements For Pro Forma Statements and Annual Reports  
Lies, Damn Lies, and Pro Forma  
Non-GAAP Measures- Love Them or Hate Them?  
Pro Forma Numbers Are Alive and Well  
Stock Options, Meet Pro Forma  
Analysts – Expensing Isn't Optional  
How Groupon's accounting changes hide what's really going on at the company

Prepare: TBA

**Session 27 Monday April 28 Compensation and Governance**  
**Disclosures**

Read: TBA

Prepare: TBA

**Session 28 Wednesday April 30 Summary**

Read: RCJM: Chapter 1

Brief Summary of SOX  
International Financial Reporting Standards  
FASB and IASB's Irreconcilable Differences  
The Future of Financial Reporting: A Market Perspective  
Standing on Principles  
The Top 10 Reasons to Fix the FASB's Conceptual Framework

Prepare: None