Employer Expectations Of Accounting Undergraduates' Entry-Level Knowledge And Skills In Global Financial Reporting

Christopher G. Jones, California State University—Northridge, USA
Rishma Vedd, California State University—Northridge, USA
Sung Wook Yoon, California State University—Northridge, USA

ABSTRACT

The globalization of business has led to the adoption of International Financial Reporting Standards (IFRS) around the world. Recently, the Securities and Exchange Commission issued a roadmap for IFRS implementation starting in 2014, with earlier adoption permitted. Yet according to recent surveys, few U.S. universities have a strategy in place to integrate IFRS into the undergraduate accounting curriculum. Using survey research, this paper explores the entry-level knowledge and skills employers' expect of new hires in the near term and five years from now. Results indicate that employers already require accounting graduates to have some awareness of IFRS and its relationship to U.S. GAAP. By 2013 students should be able to apply IFRS in recording transactions, prepare IFRS-based financials, and reconcile IFRS to U.S. GAAP. The paper concludes with recommendations based on survey results for incorporating IFRS into the undergraduate accounting curriculum.

Keywords: International Financial Reporting Standards, IFRS, U.S. GAAP, SEC, undergraduate accounting curriculum, employer expectations

INTRODUCTION

As the global economy becomes increasingly borderless, the demand for a single international language of business has accelerated (AICPA, 2008a) . Already more than 12,000 companies and 100 countries have adopted International Financial Reporting Standards (IFRS) in one form or another (AICPA, 2008b). By 2011, the International Accounting Standards Board (IASB) projects more than 150 countries, including the U.S. will have embraced IFRS either through outright adoption or through standards convergence (IASB, 2009a).

IFRS convergence is well under way in the U.S. On December 21, 2007, the U.S. Securities and Exchange Commission (SEC) eliminated the reconciliation requirement for non-U.S. filers effective March 2008 forward (SEC, 2007). At about the same time, the Financial Accounting Standards Board (FASB, 2007), released SFAS No. 141(R) Business Combinations, as part of its ongoing collaborative effort with the IASB to converge accounting standards. In August 2008 the SEC (SEC, 2008) proposed a "roadmap" for potential use of IFRS for U.S. financial reporting. The proposal outlines the steps necessary and the timeline for transitioning U.S. registrants to report in accordance with IFRS. A potential mandate calls for a phase in from 2014 to 2016. Early adoption for selected registrants is suggested for filings as early as 2010. However, under the leadership new SEC Chairman Mary Schapiro, the pace of transition may slow some. Just recently the Commission extended the comment period from the original February 19, 2009, deadline to April 20th (AICPA, 2009).

A slowing of the pace of IFRS convergence in the U.S. could be a boon. According to a recent survey by the American Accounting Association and KPMG, LLP, few U.S. colleges and universities are "IFRS-ready" (Connolly & Llanes, 2008). A large majority (62%) of the 535 professors surveyed indicated they had not taken any significant steps to integrate IFRS into undergraduate accounting curriculum. Only 22 percent reported they could incorporate global financial reporting standards into the 2008-2009 course work in any meaningful way. The lack of curricular focus on global standards is reflected in estimates for when U.S. accounting graduates will have the necessary entry-level IFRS skills. Only five percent of respondents reported the class of 2009 will be IFRS-prepared. Seventeen percent believe the class of 2010 will have substantial IFRS knowledge. By 2012—the target date for U.S. adoption of IFRS—the numbers improve marginally to 24 percent adequately trained.

Projected preparation levels of U.S. accounting graduates contrast sharply with employer expectations. With less than a quarter of new grads predicted to be IFRS-ready by 2012, public accounting and industry face a shortage of skilled entry-level accountants. According to D. J. Gannon, director of Deloitte & Touche's IFRS Center of Excellence, an estimated 40 percent of the Fortune Global 500 already use IFRS and that percentage will significantly increase in the next couple of years (Deloitte & Touche, LLP, 2008). A 2008 Deloitte survey of over 200 senior finance professionals underscored the need for additional IFRS education in the U.S. Sixty-four percent of respondents indicated they lacked enough adequately trained IFRS professionals for U.S. operations; for non-U.S. operations, only 34 percent felt there was a skill shortage (Deloitte & Touche, LLP, 2008). As Mary Barth, Stanford University Professor of Accounting and member of the International Accounting Standards Board asserts: "The question is how, not whether, it will happen, and how, not whether, U.S. academics will participate" (Barth, 2008, p. 1176).

Proponents argue the shift to one worldwide financial measurement and reporting standard is absolutely essential for realizing efficient global capital markets (Fay, Brozovsky, Edmonds, Lobingier, & Hicks, 2008). Advantages for a single global standard include: (a) greater comparability of financial information, (b) lower preparation costs from the elimination of county by country reconciliations, and (c) enhanced competitiveness in a global economy through reduced capital costs.

IFRS, however, is not without its detractors. Some academics claim U.S. adoption of IFRS will: (a) disadvantage the U.S. in raising capital by reducing the reliability and consistency of reported information (Bahnson & Miller, 2008); (b) lead to increased efforts to manage earnings as "principles-based" reporting standards are objectively applied (Bahnson & Miller, 2008; Zeff, 2007); (c) reduce comparability as accounts with dissimilar backgrounds apply IFRS in ways unique to their culture (Taub, 2007, September 25); and, (d) result in lax or ineffective enforcement since the IASB does not have enforcement authority as does the SEC (Albrecht, 2008).

According to the SEC Roadmap, adequate training in IFRS knowledge and skills is an essential pre-condition for final adoption for the global standard by the U.S. (SEC, 2008). Unfortunately, as the Education and Training section of the Roadmap points out, existing education and training is "limited to or predominantly focused on current provisions of U.S. GAAP"(SEC, 2008, p. 28). The Commission suggests that "colleges and universities would need to include IFRS in their curricula" (SEC, 2008, p. 29).

While academia is still debating whether IFRS should be adopted, three external forces seem to be shaping the IFRS curricular integration dialog at the undergraduate level. First, the Big 4 firms have all launched IFRS curricular initiatives (Deloitte & Touche, LLP., 2009; Harris, 2008, May 22; WebCPA, 2008, May 18). PricewaterhouseCoopers has even gone so far as to specify IFRS-awareness levels for new recruits. Starting Fall 2009, accounting students interviewing for full-time positions or summer internships will be expected to: (a) discuss the importance of IFRS in the future, (b) describe the current status of IFRS in the U.S. and a likely timetable for adoption, (c) articulate the international standards setting process, (d) discuss the nature of IFRS-based financial statements, and (e) provide an example of an IFRS-U.S. GAAP difference (Nilsen, 2008).

The second external force shaping IFRS curricular integration arises from accounting textbook publishers. Wiley Publishing, for instance, recently offered an on-line IFRS bootcamps designed to "help instructors get up to speed on international convergence" (Wiley Publishing, 2009). Finally, the third externality is the AICPA Board of Examiners (BOE) which has included selected IFRS content in the most recent Content and Skill Specification Outlines (CSOs/SSOs) for the Uniform CPA exam (AICPA, Spring 2009). Specifically, some content has been added to the Financial Accounting and Reporting (FAR) section of the CSO. According to William Montemarano, Director of Examinations Strategy, the BOE is "in the process of assessing the extent to which IFRS have become part of the workplace responsibilities of entry-level CPAs." Once completed, "the results will be incorporated into the new CSOs/SSOs" (AICPA, Spring 2009, p. 7).

While much of the IFRS curricular research has focused on the educator perspective (Barth, 2008; Connolly & Llanes, 2008; Hor & Juchau, 2004), to date little research has examined the IFRS knowledge and skill set expectations from an employer's view. Using a survey methodology, this research examines those employer expectations. Specifically, we addressed the following research questions raised by the literature review:

1. Which employer categories favor adoption of IFRS? How do employers in the various categories view the pace of the SEC's proposed timeline for IFRS adoption?
2. How important is integrating IFRS in the undergraduate accounting curriculum in the near term and five years from now?
3. What strategy should be used to integrate IFRS into the undergraduate accounting curriculum?
4. According to potential employers, how important are each of the following IFRS knowledge objectives and skills for entry-level accountants?
    - 4.1. Define the term "International Financial Reporting Standards" (IFRS).
    - 4.2. Know the current status of IFRS.
    - 4.3. Explain the standard setting process for IFRS.
    - 4.4. Describe the differences between Principles-based and Rules-based standards.
    - 4.5. Read and comprehend IFRS-based financial statements.
    - 4.6. Apply IFRS in recording business transactions.
    - 4.7. Use professional judgment in resolving alternatives under IFRS.
    - 4.8. Prepare financial statements in accordance with IFRS.
    - 4.9. Analyze IFRS-based financial statements.
    - 4.10. Compare and contrast IFRS and U.S. GAAP.
    - 4.11. Reconcile IFRS with U.S. GAAP-based financial statements.
    - 4.12. Apply the XBRL markup language to IFRS
    - 4.13. Apply "IFRS for Private Entities"
5. Do these same employers anticipate a difference in the level of importance for the various knowledge and skills five years from today?
6. Which key differences between IFRS and U.S. GAAP are most important for inclusion in the curriculum?
7. Do public accounting firms have higher expectations regarding IFRS competencies than non-accounting firms? What about large organizations versus small- or medium-sized organizations? SEC registrants versus non-SEC registrants? Organizations with foreign operations versus firms and companies that only operate domestically?
8. Do large organizations have more interest in XBRL for IFRS than small- or medium-sized organizations?
9. Do small- and medium-sized organizations have more interest in education on IFRS for Private Entities than large organizations?

From the research, we drew several conclusions. Major contributions include: (a) a summary of employer priorities regarding key IFRS learning objectives, now and in the near future, (b) a list of key U.S. GAAP – IFRS differences ranked by employer importance, (c) employer-recommended strategies for incorporating IFRS into the undergraduate accounting curriculum, and (d) an analysis of how employer expectations vary by employer type.

Following this introduction and brief literature review, we describe our research methodology and respondent profile. Next we report findings and offer a short discussion of those findings for each research question enumerated above. We, then, summarize the conclusions drawn from the study and discuss the implications of these conclusions on the undergraduate accounting curriculum in the U.S. Finally, we note the limitations of the study and identify possible avenues for further research.

RESEARCH METHODOLOGY

Survey Instrument and Sample Selection

Using the specific research questions detailed earlier, previous IFRS surveys (Deloitte & Touche, LLP, 2008; PricewaterhouseCoopers, 2006) and relevant literature as a guide (Barth, 2008; Nilsen, 2008), a survey instrument was developed to assess the perceived importance of key exit knowledge and skills of accounting undergraduates regarding global financial reporting and major IFRS – U.S. GAAP differences. The questionnaire was pilot tested with the 15 department accounting faculty, California State University, Northridge (CSUN) and any suggestions incorporated in the final instrument. Relevant survey questions are included as part of the Tables.

During Fall 2008, a survey was administered to all employers who have hired or intend to hire four-year accounting undergraduates for full-time employment and internships at CSUN. CSUN is a large urban public university located in the greater Los Angeles metropolitan area with over 1,000 accountancy and pre-accountancy majors in its AACSB-accredited business school. Two-hundred eighty representatives from firms and organizations recruiting at CSUN comprised the population frame. Email addresses were drawn from "Accounting Recruiting Day" and "Meet the Firms" event rosters. No incentive was provided to encourage participation; however, respondents could elect to receive aggregated results from the survey.

The questionnaire was operationalized using web survey software provided by SurveyMonkey.com. Each firm representative was emailed a request for participation with a link to the online survey. A follow-up request was sent one week later. Of the 280 representatives emailed, 55 responded to the survey via web. Twenty-six additional responses were collected in person from firm representatives attending the Fall 2008 "Meet the Firm" event held September 25th, 2008. A total of 81 participants responded to the survey for a total response rate of 28.9 percent. Of those responses, 66 answered most questions in the survey yielding a useable response rate of 23.6 percent. Frequencies may tally to less than 66, as not every participant answered every question.

FINDINGS AND DISCUSSION

Respondent Profile

Table 1 summarizes demographic information regarding position title, experience, specialization, employment sector, and geographic scope for the 66 useable responses. The two largest respondent groups by position title were senior management and early-career professionals. A little over 40 percent (40.9%) of respondents hold senior management positions such as CEO, vice president, partner, principal or owner. Another 40.9% were in professionals in positions such as senior, junior, or associate. Just under ten percent (9.1%) of the respondents were in middle management position such as associate VP, director, or manager.

As can be expected with a primarily bi-modal distribution of senior management and early-career professionals, years of business experience was also primarily bimodal. Forty-four percent of respondents had between 11 and 20+ years of experience; 45.5% of respondents had between zero and 10 years of experience.

For specialization, respondents were allowed to indicate more than one field of expertise. The great majority of respondents (72.7%) specialize in audit with the next highest specialization being tax (25.8%). Eighteen percent (18.2%) of respondents indicated an expertise in financial accounting and another 10.6% expertise in managerial accounting. The remaining areas of specialization had minimal representation (less than 10%), namely business management, finance, general management, Human Resource management, and information systems.

A large majority of the respondents (66.7%) were employed in public accounting. Industry accounted for 17.7% and government another 7.6%. Nine percent classified themselves as *Other* (e.g., professional organizations and CPA review firms). Of the respondents employed in public accounting, 22.7% were affiliated with international accounting firms (including "Big 4"') and 11.4% with national accounting firms. A substantial numbers of survey participants were affiliated with either regional accounting firms (29.6%) or in local practice (31.8%). Of the respondents in industry, 72.8% were working for regional or local companies; only 27.2% were affiliated with multinationals or large national companies.

Table 1
Descriptive Statistics *(N = 66)*

DEMOGRAPHIC CATEGORY	*f*	%		*f*	%
Current position			**Organizational Sector**		
Senior management	27	40.9	Public Accounting	44	66.7
Middle management	6	9.1	Industry – SEC registrant	4	6.1
Professional	27	40.9	Industry – Non-SEC registrant	7	10.6
Other	6	9.1	Government	5	7.6
			Other	6	9.1
Years of Business Experience			**Public Accounting by Geographic Scope**		
Less than 5 Years	19	28.8	International – "Big 4"	8	18.2
5 to 10 Years	11	16.7	International – Other than "Big 4"	2	4.5
11 to 20 Years	18	27.3	National	5	11.4
More than 20 years	11	16.7	Regional	13	29.6
No Answer	7	10.6	Local – General Practice	14	31.8
			Local – Specialized	2	4.5
Specialization*			**Industry by Geographic Scope**		
Audit	48	72.7	International	2	18.2
Business Management	5	7.6	National (Domestic)	1	9.1
Finance	4	6.1	Regional	4	36.4
Financial Accounting	12	18.2	Local	4	36.4
General Management	3	4.5			
HR Management	6	9.1			
Information Systems	4	6.1			
Managerial Accounting	7	10.6			
Tax	17	25.8			
Other	8	12.1			

*More than one area possible

Research Question 1: Employer Perspective on IFRS Adoption

IFRS Adoption. Table 2 provides employers' views regarding IFRS adoption and integration into undergraduate accounting curriculum. As detailed in Panel A, somewhat less than two-thirds (60.6%) favored IFRS adoption. A little under a third (31.8%) of respondents were neutral. Five respondents (7.5 %) were opposed to IFRS adoption.

For the survey participants working in public accounting, more than two-thirds of them (68.2%) were in favor of IFRS adoption; 25 percent were neutral. For industry and governmental sector employers, on the other hand, the percentage in favor of adoption was lower (36.4% and 54.6% respectively). Instead about half of the industry/government survey participants responded that they were neutral regarding IFRS adoption.

Adoption Timeline. Respondents were asked to rate the 2014 timeline for IFRS adoption proposed by the SEC using a five-point Likert scale ranging from Too Slow – 1 to Too Fast – 5. A good majority of survey participants (61.3%) felt the timeline was just right (Panel A). A little under a fourth of employers (24.2%) felt the timeline was somewhat slow. About fifteen percent (4.5%) felt the SEC was moving somewhat fast. Unlike the issue of adoption itself, in which public accounting employers were more strongly in favor, rating averages by the three major employer sectors regarding the pace of the IFRS adoption timeline were not significantly different.

Table 2
Employers' Views Regarding IFRS Adoption and Curricular Integration

Panel A: Employers' Views About IFRS Adoption
Survey Question: Do you favor IFRS adoption?

IFRS Adoption	Strongly Oppose	Somewhat Oppose	Neutral	Somewhat Favor	Strongly Favor	Mean*	SD
Public Accounting	2 (4.5%)	1 (2.3%)	11(25.0%)	16 (36.4%)	14 (31.8%)	3.89	1.04
Industry	0 (0.0%)	2 (18.2%)	5 (45.4%)	1 (9.1%)	3 (27.3%)	3.45	1.13
Government	0 (0.0%)	0 (0.0%)	5 (45.4%)	2 (18.2%)	4 (36.4%)	3.90	0.94
Total	2 (3.0%)	3 (4.5%)	21(31.8%)	19 (28.8%)	21 (31.8%)	3.82	1.04

*Likert-scale values for calculation of Rating Average (Strongly Oppose 1, Somewhat Oppose 2, Neutral 3, Somewhat Favor 4, and Strongly Favor 5).

Survey Question: The SEC proposal would require IFRS by 2014, with earlier adoption permitted. How do you feel about the timeline proposed by SEC?

Timeline	Too Slow	Somewhat Slow	Just Right	Somewhat Fast	Too Fast	Mean*	SD
Public Accounting	1 (2.3%)	10 (23.3%)	25(58.1%)	7 (16.3%)	0 (0.0%)	2.88	0.70
Industry	0 (0.0%)	2 (20.0%)	7 (70.0%)	1 (10.0%)	0 (0.0%)	2.90	0.57
Government	0 (0.0%)	2 (22.2%)	6 (66.7%)	1 (11.1%)	0 (0.0%)	2.89	0.60
Total	1 (1.6%)	14 (22.6%)	38(61.3%)	9 (14.5%)	0 (0.0%)	2.89	0.66

*Likert-scale values for calculation of Rating Average (Too Slow 1, Somewhat Slow 2, Just Right 3, Somewhat Fast 4, and Too Fast 5).

Panel B: Employers' Views About Curricular Integration
Survey Question: How important is integrating IFRS into the undergraduate accounting curriculum?

IFRS Integration	Not Important	Somewhat Important	Important	Very Important	Extremely Important	Mean	SD
Now	3 (4.6%)	14 (21.5%)	20(30.8%)	16 (24.6%)	12 (18.5%)	3.31	1.14
5 Years Out	1 (1.9%)	2 (3.8%)	6 (11.3%)	16 (30.2%)	28 (52.8%)	4.28	0.95

*Likert-scale values for calculation of Rating Average (Not Important 1, Somewhat Important 2, Important 3, Very Important 4, and Extremely Important 5).

Research Question 2: Employer Perspective on Curricular Integration

Curricular Integration Now. Table 2 Panel B presents employers' opinions about importance of integrating IFRS into the undergraduate accounting curriculum now versus 5 years from now. Most survey participants (95.4%) believe that IFRS coverage is important enough that it should already be part of the existing undergraduate accounting curriculum. Forty-three percent of respondents rate inclusion of IFRS coverage now as "very important" to "extremely important." Only 4.6% of survey participants did not feel IFRS should be integrated into the curriculum currently.

Curricular Integration Five Years from Now. When asked to rate the importance of IFRS curricular integration "five years from now," almost all respondents (98.1%) felt that IFRS coverage should be part of the standard undergraduate accounting curriculum by that time. Of particular note is the increase from 18.5 % to 52.8 % in the number of participants responding that IFRS inclusion was "extremely important" five years out.

Research Question 3: Preferred Integration Strategies

A little over a third of respondents (35.4%) prefer integrating IFRS into the curriculum by including coverage in all financial accounting courses starting with principles of financial accounting, followed by the intermediate accounting series, and finally advanced financial accounting (Table 3). A somewhat smaller percentage (21.5%) felt that IFRS should be integrated into all accounting program coursework not just financial accounting courses. This would mean IFRS coverage in auditing, tax, managerial accounting, and accounting information systems course, in addition to the financial accounting series. Just under 20 percent (18.5%) of employers prefer a stand-alone IFRS course, while 15.4 percent recommend integrating IFRS just into the intermediate accounting series.

Table 3
Recommended Strategies for Incorporating IFRS into the Curriculum

Survey Question: What strategy would you recommend for incorporating IFRS into the undergraduate accounting curriculum?

Curricular Strategy	***f***	**%**
Integrate IFRS into *all financial accounting courses*	23	35.4
Integrate IFRS into *all accounting program coursework*	14	21.5
Stand-alone IFRS course	12	18.5
Integrate IFRS into only the *intermediate accounting series*	10	15.4
Integrate IFRS into just the *international accounting course*	2	3.1
Other	4	6.2

Research Questions 4 and 5: IFRS Knowledge and Skills Now and Five Years from Now

Respondents were presented with a list of 13 IFRS learning objectives (see items 4.1 – 4.13 listed earlier in the *Introduction*) and asked to rate the importance of each knowledge and skill standard in terms of curricular coverage "now" and "five years from now" using a five-point Likert scale ranging from Not Important -1 to Extremely Important -5. Based on our pilot survey, two of the objectives required clarification in order for participants to provide a meaningful response. For Objective 12 "XBRL for IFRS", explanatory language in the survey instrument included a note defining the XBRL acronym and how XBRL would be used in conjunction with IFRS to communicate financial data. For Objective 13 "IFRS for Private Entities (PE)", participants were told that PE was designed to meet the needs of small- to medium-sized entities (formerly referred to as SMEs) through the use of an appropriately-scaled set of IFRS standards that balance the costs and benefits from a preparer perspective.

Table 4
Importance of IFRS Knowledge and Skills

	Now			**5 years from now**				**Inc**
IFRS Competency	**Rank**	**Mean**	***SD***	**Rank**	**Mean**	***SD***	***t***	**Dec**
Know the current status of IFRS	1	2.56	1.20	1	3.80	1.16	5.80***	↑
Describe diff. between Principles- and Rules-based	2	2.55	1.27	8	3.57	1.20	4.59***	↑
Define the term IFRS	3	2.52	1.26	2	3.79	1.17	5.60***	↑
Compare and contrast IFRS and US GAAP.	4	2.48	1.31	3	3.77	1.13	5.86***	↑
Read and comprehend IFRS-based financials	5	2.33	1.24	4	3.74	1.20	6.48***	↑
Apply IFRS in recording business transactions.	6	2.27	1.22	5	3.70	1.20	6.55***	↑
Analyze IFRS-based financial statements.	7	2.25	1.31	6	3.70	1.24	6.37***	↑
Use professional judgment in applying IFRS	8	2.23	1.26	7	3.59	1.22	6.12***	↑
Reconcile IFRS with US GAAP-based financials	9	2.23	1.29	10	3.46	1.40	5.09***	↑
Explain the standard setting process for IFRS	10	2.21	1.18	11	3.36	1.13	5.48***	↑
Prepare financial statements under IFRS.	11	2.08	1.32	9	3.50	1.35	5.90***	↑
Apply "IFRS for Private Entities"	12	2.06	1.17	12	3.20	1.19	5.37***	↑
Apply the XBRL markup language to IFRS	13	2.02	1.16	13	3.17	1.23	5.20***	↑

Note. Sample size (*n*) ranged from 58 to 64 because several respondents did not answer the questionnaire completely, leaving blank one or more importance rating questions. Values for calculation of Mean are Strongly Oppose-1, Somewhat Oppose-2, Neutral-3, Somewhat Favor-4, and Strongly Favor-5.

*** t-values are statistically significant at $p < .01$ level.

Table 4 summarizes employer expectations concerning the 13 IFRS competencies. Mean ratings for each learning objective for the two time periods (Now; 5 Years from Now) are compared side by side. For each competency, mean scores were analyzed using pair-wise *t*-tests. Results of the *t*-tests indicate mean ratings today are statistically significantly higher five years from now for all 13 IFRS knowledge objectives. The final column in the table indicates the direction of the rating importance trend. An up arrow (↑) indicates the IFRS knowledge or skill will be more important in the future; likewise, a downward arrow (↓) indicates a decrease in importance. As portrayed in Table 4, respondents believe each of the 13 IFRS competencies will be more important five years out than they are now. IFRS competencies are listed in descending order by importance mean and given a simulated rank order.

Importance of IFRS Knowledge and Skills Now. Using the midpoint between anchors on the Likert scale as the cut-off point between importance classifications, IFRS competencies rated as *Important* in the immediate term (range = 2.50 to 3.49) included (a) know the current status of IFRS (*M* = 2.56), (b) describe the difference between principles-based and rules-based standards (*M* = 2.55), and (c) define the term "International Financial Reporting Standards" (*M* = 2.52).

IFRS competencies rated as *Somewhat Important* now (range = 1.50 to 2.49) included the remaining ten learning objectives (a) compare and contrast IFRS and U.S. GAAP (*M* = 2.48), (b) read and comprehend IFRS-based financial statements (*M* = 2.33), (c) apply IFRS in recording business transactions (*M* = 2.27), (d) analyze IFRS-based financial statements (*M* = 2.25), (e) use professional judgment in resolving alternatives under IFRS (*M* = 2.23), (f) reconcile IFRS with U.S. GAAP-based financial statements (*M* = 2.23), (g) explain the standard setting process for IFRS (*M* = 2.21), (h) prepare financial statements in accordance with IFRS (*M* = 2.08), (i) apply "IFRS for Private Entities" (*M* = 2.06), and (j) apply the XBRL markup language to IFRS (*M* = 2.02). Based on the mean importance ratings, none of the 13 IFRS competencies would be classified with regards to immediate inclusion in the undergraduate accounting curriculum as *Extremely Important* (range = 4.50 to 5.00), *Very Important* (range = 3.50 to 4.49) or *Not Important* (range = 1.00 to 1.49).

Based on these findings, it appears employers already expect undergraduate accounting majors to have some awareness of IFRS at a conceptual level. At a minimum, graduating seniors should be able to recognize and define the acronym IFRS, discuss the current status of U.S. adoption of global financial reporting standards, and be able to compare and contrast principles-based and rules-based approaches to accounting standards. Employers do not expect accounting undergraduates to have a working knowledge of how to apply IFRS nor do they consider IFRS for Private Entities and XBRL for IFRS to be important at this time.

Importance of IFRS Knowledge and Skills Five Years from Now. For every one of the 13 IFRS competencies, five years from now the importance ratings increase. Using the midpoint between anchors on the Likert scale as the cut-off point between importance classifications, IFRS competencies rated as *Very Important* in the long term (range = 3.50 to 4.49) included (a) know the current status of IFRS (*M* = 3.80), (b) define the term "International Financial Reporting Standards" (*M* = 3.79), (c) compare and contrast IFRS and U.S. GAAP (*M* = 3.77), (d) read and comprehend IFRS-based financial statements (*M* = 3.74), (e) apply IFRS in recording business transactions (*M* = 3.70), (f) analyze IFRS-based financial statements (*M* = 3.70), (g) use professional judgment in resolving alternatives under IFRS (*M* = 3.59), (h) describe the difference between principles-based and rules-based standards (*M* = 3.57), and (i) prepare financial statements in accordance with IFRS (*M* = 3.50).

IFRS competencies rated as *Important* five years from now (range = 2.50 to 3.49) included the remaining four learning objectives (a) reconcile IFRS with U.S. GAAP-based financial statements (*M* = 3.46), (b) explain the standard setting process for IFRS (*M* = 3.36), (c) apply "IFRS for Private Entities" (*M* = 3.20), and (d) apply the XBRL markup language to IFRS (*M* = 3.17). With regards to future inclusion in the undergraduate accounting curriculum, none of the 13 IFRS competencies would be classified as *Extremely Important* (range = 4.50 to 5.00), *Somewhat Important* (range = 1.50 to 2.49) or *Not Important* (range = 1.00 to 1.49).

Five years from now, employers expect accounting undergraduates to not only know what IFRS is but be able to apply IFRS in recording transactions, preparing financials, and in reconciling IFRS to U.S. GAAP. Curricular importance shifts to emphasizing accounting skills using IFRS. "Read and comprehend IFRS-based financial statements" moves to fourth place from fifth; "Apply IFRS in recording business transactions" moves up to fifth from sixth; "Analyze IFRS-based financial statements moves up to sixth from seventh; and "Prepare financial statements under IFRS" moves up to ninth from eleventh place. Interestingly, "Define the difference between Principles-based and Rules-based standards" drops from second to eighth place. IFRS for Private Entities and XBRL for IFRS once again trail substantially in the importance ratings. Five years out, the consensus is still that these two skills are the least critical for undergraduate accounting majors.

Research Question 6: IFRS-U.S. GAAP Differences

For the past several years both the International Accounting Standards Board and Financial Accounting Standards Board have been working together to craft a high quality standard for global financial reporting (Nicolaisen, 2005). However, even with this concerted effort toward standards convergence, several significant differences still exist between IFRS and U.S. GAAP. The following is a partial list (ordered alphabetically) of key differences frequently mentioned in the literature (PricewaterhouseCoopers, 2008):

- Curing Debt Covenant Violations after Year-end
- Development Costs
- Gains on Leaseback
- LIFO Inventory
- Past Service Costs and Actuarial Gains and Losses
- Revaluation of Property, Plant & Equipment
- Revenue Recognition
- Reversals of Inventory Write-Downs
- Separation of Convertible Features from Convertible Bonds
- Thresholds for Contingencies

Revenue recognition, for example, is one accounting standard receiving considerable attention. The general principles for recognition are similar under IFRS and U.S. GAAP but the philosophy on current standards are radically different. The IASB approach to revenue recognition is principles-based and the standard (IAS 18-Revenue) is designed to encourage professional judgment and discourage over-reliance on detailed rules (IASB, 2009b). The IASB provides general guidance in IAS 18 with a minimum of detailed or industry specific rules. U.S. GAAP for revenue recognition, on the other hand, follows a heavy rule-based approach with extensive guidance in the form of multiple Statements of Financial Accounting Standards (SFAS), abstracts from the Emerging Issues Task Force (EITFs), and Statements of Position (SOPs). In addition, U.S. public companies are subject to further accounting-related disclosure practices for revenue recognition through SEC-issued Staff Accounting Bulletins (SABs). EITFs, SOPs, and SABs are often issued to provide guidance for specific industries (e.g. software, construction) and transactions (multiple element arrangements).

***Employer Perspective on Key IFRS-U.S. GAAP Differences*.** To assess which IFRS-U.S. GAAP differences should be emphasized in the undergraduate accounting curriculum, respondents were asked to rate how important topic coverage was for each of the ten differences identified earlier. Respondents were not provided any description of the difference other than the topic name under the assumption that participants would be familiar with items listed.

Table 5 presents the distribution of participant responses along the important rating scale, the mean importance rating, and standard deviation. IFRS-U.S. GAAP difference topics are listed in descending order by importance rating mean using a simulated ranking. Using the midpoint between anchors on the Likert scale as the cut-off point between importance classifications, standards differences rated as *Important* (range = 2.50 to 3.49) for inclusion in the undergraduate accounting curriculum included the all ten of the items assessed (a) revenue recognition (M = 3.70), (b) revalution of property, plant and equipment (M = 3.40), (c) thresholds for contingencies (M = 3.34), (d) development costs (M = 3.21), (e) reversals of inventory write-downs (M = 3.20), (f) curing debt covenant violations after year-end (M = 3.13), (g) LIFO inventory (M = 2.97), (h) separation of convertible features from convertible bonds (M = 2.97), (i) gains on leaseback (M = 2.95), and (j) past service costs and actuarial gains and losses (M = 2.80).

Revenue recognition appears to be the most important standards difference topic with a importance rating mean 0.30 higher (on a 1.0 – 5.0 Likert scale) than the next topic cluster (M = 3.40). Revaluation of property, plant, and equipment ranked second (M = 3.40) with contingency thresholds third (M = 3.34). Surprisingly, LIFO inventory, one of the differences that has received considerable attention in the media, was ranked seventh.

Table 5
IFRS-U.S. GAAP Differences

Rank	IFRS-U.S. GAAP Differences	Not Important	Somewhat Important	Important	Very Important	Extremely Important	Mean	*SD*
1	Revenue Recognition	1	9	17	14	20	3.70	1.13
2	Revaluation of Property, Plant & Equipment	1	14	18	17	12	3.40	1.09
3	Thresholds for Contingencies	3	9	27	10	13	3.34	1.12
4	Development Costs	3	15	19	16	9	3.21	1.12
5	Reversals of Inventory Write-Downs	3	14	20	16	8	3.20	1.09
6	Curing Debt Covenant Violations after Year-end	4	14	23	10	10	3.13	1.15
7*	LIFO Inventory	5	18	19	14	6	2.97*	1.12
7*	Separation of Convertible Features from Convertible Bonds	7	12	24	12	6	2.97*	1.12
9	Gains on Leaseback	5	16	24	9	7	2.95	1.10
10	Past Service Costs and Actuarial Gains and Losses	6	20	19	12	4	2.80	1.08

* tied for seventh in the simulated ranking

Research Question 7: Importance of IFRS Coverage by Employer Type

To answer research questions regarding the importance of IFRS coverage by employer category, pair-wise *t*-tests were used to compare importance means both for curricular integration now and five years from now. Results of the inferential analyses are presented in Table 6.

***Public Accounting vs. All Other Employers*.** We hypothesized that public accounting firms would place greater importance than non-accounting employers on integrating IFRS into the undergraduate accounting curriculum both now and five years out. As Table 6 Panel A depicts, there was no statistically significant difference in importance rating for curricular inclusion *now*; however, *five years from now*, public accounting firms do report a higher importance for IFRS coverage in the curriculum ($M = 4.62$) than non-accounting employers ($M = 3.50$). A pair-wise *t*-test results in a significant difference between these two means ($t = 4.68$, $p < 0.0001$). Both public accounting and non-public accounting employers recognize currently the importance of IFRS coverage today but public accounting firms place even greater importance on such coverage in the future.

***International/National Employers vs. Regional/Local Employers*.** By virtue of their current role in the global economy, we hypothesized that international and large domestic employers would rate IFRS coverage more important than regional or local employers. Table 6 Panel B-1 indicates that there was a statistically significant difference between these two employer groups both in the near term and the future. International/National employers did report a higher importance for IFRS coverage *now* ($M = 3.94$) and *five years from now* ($M = 4.87$) than their more locally-focused counterparts ($M = 3.06$ *now*; $M = 4.05$ *five years from now*). *t*-tests revealed differences between importance means for *now* ($t = 2.94$, $p < 0.0046$) and *five years from now* ($t = 3.03$, $p < 0.0039$) were significantly different. It would appear international and national organizations do place a higher importance on integrating IFRS into the undergraduate accounting curriculum than local or regional organizations.

Table 6
Differences by Employer Category of Importance Ratings for IFRS Coverage

Panel A. *Accounting Firms vs. Non-Accounting Firms*

	Accounting Firms				Non-Accounting Firms				
	Mean	**SD**	***f***		**Mean**	**SD**	***f***	**Mean Diff.**	***t (p-value)***
NOW	3.4545	1.0445	44		3.0000	1.3038	21	0.4545	1.51 (0.1355)
5 years from now	4.6216	0.5940	37		3.5000	1.1547	16	1.1216	4.68 (<0.0001)

Panel B-1. *International or National Organizations vs. Local or Regional Organizations*

	International or National Organizations				Local or Regional Organizations				
NOW	3.9444	0.9376	18		3.0638	1.1307	47	0.8806	2.94 (0.0046)
5 years from now	4.8667	0.3519	15		4.0526	1.0120	38	0.8141	3.03 (0.0039)

Panel B-2. *International or National Accounting Firms vs. Local or Regional Accounting Firms*

	International or National Accounting Firms				Local or Regional Accounting Firms				
NOW	4.0667	0.7988	15		3.1379	1.0255	29	0.9288	3.05 (0.0039)
5 years from now	4.9231	0.2774	13		4.4583	0.6580	24	0.4648	2.42 (0.0208)

Panel C. *Audit Specialized vs. Non-Audit Specialized*

	Audit Specialized				Non-Audit Specialized				
NOW	3.3830	1.1713	47		3.1111	1.0786	18	0.2719	0.86 (0.7340)
5 years from now	4.4146	0.8653	41		3.8333	1.1146	12	0.5813	1.92 (0.0611)

Panel D. *Employers Favoring IFRS Adoption vs. Employers NOT Favoring IFRS Adoption*

	In favor of IFRS				Not in favor of IFRS				
NOW	3.6250	1.1699	40		2.8000	0.9129	25	0.8250	3.00 (0.0039)
5 years from now	4.5152	0.8337	33		3.9000	1.0208	20	0.6152	2.39 (0.0205)

Panel E. *Employers Indicating Adoption Timeframe Too Slow vs. Too Fast*

	Slow Timeline				Fast Timeline				
NOW	3.9333	0.9612	15		2.8889	0.9280	9	1.0444	2.61 (0.0160)
5 years from now	4.8182	0.4045	11		4.2857	0.7559	7	0.5325	1.96 (0.0680)

Panel F. Importance of Education on XBRL for IFRS (*International or National Organizations vs. Local or Regional Organizations)*

	International or National Organizations				Local or Regional Organizations				
NOW	2.0625	1.2366	16		2.0000	1.1476	42	0.0625	1.18 (0.8566)
5 years from now	3.5000	0.9661	16		3.0476	1.3058	42	0.4524	1.26 (0.2136)

Panel G. Importance of Education on IFRS for Private Entities (*International or National Organizations vs. Local or Regional Organizations*

	International or National Organizations				Local or Regional Organizations				
NOW	1.8235	0.9510	17		2.1489	1.2332	47	-0.3254	-0.99 (-0.3283)
5 years from now	3.2941	0.8489	17		3.1591	1.3108	44	0.1350	0.39 (0.6958)

International/National Public Accounting Firms vs. Regional/Local Accounting Firms. We also hypothesized international and public accounting firms would have more interest in IFRS coverage than regional and local accounting firms. Table 6 Panel B-2 presents similar findings to those in Panel B-1. International/National public accounting firms did report a higher importance for IFRS coverage *now* (M = 4.07) and *five years from now* (M = 4.92) than their more locally-focused counterparts (M = 3.14 *now*; M = 4.45 *five years from now*). Mean differences in importance ratings were significant--*now*(t = 3.05, $p < 0.0039$) and *five years from now* (t = 2.42, $p < 0.0208$). As with international/national employers, it would appear international/national accounting firms do place a higher importance on integrating IFRS into the undergraduate accounting curriculum than local or regional public accounting firms.

Audit Specialization vs. Non-audit. Because of their focus on the attest function, we conjectured that respondents specializing in audit specialization would have higher expectations for IFRS competence than other accounting and business specializations. As Table 6 Panel C shows, there wasn't any statistically significant difference ($p < 0.05$) in importance rating for IFRS coverage between those specializing in audit and non-audit specialist either now (M = 3.38; M = 3.11) or five years from now (M = 4.41; M = 3.83). If however, the significance threshold is relaxed to a p-value of less than 10%, the mean difference in importance rating is significant five years out (t = 1.92, $p < 0.0611$). It would appear that for all practical purposes, specializing in auditing does not result in higher reported importance ratings.

IFRS Adoption Preference vs. Non-adoption. We speculated that employers favoring IFRS adoption would have higher expectations for IFRS coverage than those that opposed adoption. Table 6 Panel D reveals that both in the near term and five years from now, adoption preference was a significant determinant. Those who in favor of IFRS adoption show higher means of rating (M = 3.63 *now*; M = 4.52 *five years from now*) than those who opposing adoption (M = 2.80 now; M = 3.50 *five years from now*). Differences in mean rating were significantly different for importance ratings *now* (t = 3.00, $p < 0.0039$) and *five years from now* (t = 2.39, $p < 0.0205$). It would appear adoption preference predicts IFRS coverage importance ratings. Employers supporting IFRS adoption are more likely to place greater importance on IFRS curricular integration than employers opposing adoption. This confirmed our early conjecture.

Fast IFRS Adoption Timeline vs. Slow Timeline. We anticipated that employers who felt that the IFRS adoption timeline was too aggressive would have lower expectations for IFRS education than employers who felt the timeline was too slow. For adoption pacing, results were similar to adoption preference, at least in the near term. Table 6 Panel E indicates that employers who perceive the IFRS adoption timeline as too aggressive, report lower importance ratings for IFRS coverage both *now* (M = 2.89) and *five years from now* (M = 4.29) than employers who believe the adoption pace is too slow (M = 3.93 *now*; M = 4.82 *five years from now*). The mean importance rating difference for the *now* time period is significantly different based on adoption pacing perspective (t = 2.61, $p < 0.0160$). For some reason *five years from now* adoption pacing is not a predictor of the importance of IFRS curricular integration. Perhaps, respondents felt that temporal pacing was more of an issue in the near term than the future.

Research Question 8: XBRL for IFRS Interest by Employer Size

The SEC is currently planning mandatory XBRL tagging of financial statements beginning in 2009 with rollout based on company size. Companies with the largest market capitalization will be required to tag first. By 2010, smaller companies with market caps of $75 million will be required to implement XBRL tagging. XBRL for IFRS is already available. Given the order of the XBRL phase-in timetable, we hypothesized that large organizations would have more interest in education on XBRL for IFRS than small or medium companies. Table 6 Panel F shows that while the importance ratings for large companies are higher than medium and smaller companies both *now* and *five years from now*, the difference is not statistically significant. What is especially interesting is the low importance rating reported by both large (M = 2.06) and medium/small (M = 2.00) employers for the current time frame (*now*). Five years out, it appears all employers (M = 3.50 large; M = 3.05 medium/small) believe XBRL for IFRS will become more important.

Research Question 9: Private Entities for IFRS Interest by Employer Size

Both the FASB and IASB are involved in an initiative to provide a scaled back version of GAAP, dubbed "little GAAP." IFRS for Private Entities is scheduled for release first quarter 2009 (Stuart, 2009) . We speculated that small- and medium-sized organizations would have more interest in education on "IFRS for Private Entities" than large organizations. Table 6 Panel G presents results from the statistical analysis comparing the mean importance rating for IFRS for Private Entities between small/medium organizations and large organizations. Small/medium companies did have a slightly higher importance rating for the current time period (*now*) (M = 2.15) compared to large companies (M = 1.82) but mean differences in importance ratings were not significantly different. Five years out large companies (M = 3.29) had slightly higher mean importance rating for IFRS for Private Entities than small/medium companies (M = 3.16) but again these differences were not statistically significant. Apparently, there is lack of current interest in "little GAAP" regardless of organizational size. This is contrary to what we would have expected. Perhaps this may be due to the lack of awareness of the recent developments in PE standards by smaller firms.

CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

Summary of Conclusions

The purpose of this study was to investigate the entry-level IFRS knowledge and skills employers' expect of accounting undergraduates in the near term and five years from now. Descriptive and inferential analyses of the survey data yield the following conclusions:

A little less than two-thirds (60.6%) of employers favor IFRS adoption. About the same percentage (61.3%) believe the year 2014 adoption timeline proposed by the SEC is just right. Most employers (95.4%) believe that integrating IFRS into the undergraduate accounting curriculum to some degree is important right now, spread fairly evenly between *somewhat important* (21.4%), *important* (30.8%), *very important* (24.6%), and *extremely important* (18.5%). Five years out, the importance rating shifts perceptibly to the extreme end of the scale (*somewhat important* (3.8%); *important* (11.3%); *very important* (30.2%); and *extremely important* (52.8%))(Table 2).

There does not appear to be a clear consensus on strategies for IFRS curricular integration. A little over a third of respondents (35.4%) prefer integrating IFRS into the curriculum by including coverage in all financial accounting courses, while a somewhat smaller percentage (21.5%) feel that IFRS should be integrated into *all* accounting program coursework. Just under 20 percent (18.5%) prefer a stand-alone IFRS course; 15.4 percent recommend integrating IFRS just into the intermediate accounting series. There are several good strategies for curricular integration. It remains to be seen which approaches will prevail as IFRS education evolves.

Based on survey results, it appears employers already expect undergraduate accounting majors to have some awareness of IFRS at a conceptual level. At a minimum, graduating seniors should be able to recognize and define IFRS, discuss the current status of U.S. adoption of global financial reporting standards, and be able to compare and contrast principles-based and rules-based approaches to accounting standards. Employers do not expect accounting undergraduates to have a working knowledge of how to apply IFRS nor do they consider IFRS for Private Entities and XBRL for IFRS to be important at this time.

Five years from now, employers expect accounting undergraduates to not only know what IFRS is but be able to apply IFRS in recording transactions, preparing financials, and in reconciling to U.S. GAAP. Understanding the IFRS standards setting process, IFRS for Private Entities, and XBRL for IFRS are the least critical for undergraduate accounting majors.

Employers rated all ten of the IFRS-U.S. GAAP differences as *important* for inclusion in the undergraduate accounting curriculum. The top three standards differences for classroom coverage were (1) revenue recognition, (2) revaluation of property, plant, and equipment ranked, and (3) contingency thresholds. Surprisingly, in spite of the media coverage, LIFO inventory (although considered *Important* by respondents) was ranked seventh.

The importance of IFRS coverage does vary by employer category, adoption preference, and adoption pacing. Both public accounting and non-public accounting employers recognize the importance of IFRS coverage today; public accounting firms, however, place even greater importance on such coverage in the future. International/ national companies and international/national public accounting firms place a higher importance on integrating IFRS into the undergraduate accounting curriculum than local or regional organizations. For all practical purposes, specializing in auditing does not result in higher reported importance ratings.

IFRS adoption preferences do matter. Employers supporting IFRS adoption are more likely to place greater importance on IFRS curricular integration than employers opposing adoption. Employers who perceive the IFRS adoption timeline as too aggressive, report lower importance ratings for IFRS coverage both *now* and *five years from now* but the difference is only statistically significant for IFRS inclusion *now*.

Contrary to expectations, the importance rating for XBRL for IFRS coverage is not statistically significant different between large companies and small/medium companies both *now* and *five years from now*. It appears all employers place a low importance on XBRL for IFRS education even though the SEC is planning mandatory implementation starting as early as 2009. This is not to say that XBRL will not become more important in the future. As discussed earlier under IFRS competencies (Table 4), the XBRL for IFRS importance rating for all employers does trend upward over the next five years but employer size apparently is not necessarily a determinant of the importance placed on curricular integration.

Small/medium companies did have a slightly higher importance rating for IFRS for Private Entities in the current time period (*now*) (M = 2.15) compared to large companies (M = 1.82) but mean differences in importance ratings were not significantly different. Five years out large companies (M = 3.29) had slightly higher mean importance rating than small/medium companies (M = 3.16) but again these differences were not statistically significant. Apparently, there is lack of current interest in "little GAAP" regardless of organizational size. This is contrary to what we would have expected.

Implications for the Undergraduate Accounting Curriculum

This study examined the curricular impact of IFRS adoption on undergraduate accounting education. Several recommendations emerge from the findings.

Integrate IFRS Now. The survey results are clear that employers expect today's undergraduates to have a general awareness of global financial reporting already. Graduating seniors should be able to define and describe International Financial Reporting Standards, discuss the current status of IFRS adoption in the U.S., and compare and contrast principles-based and rules-based approaches to accounting standards. This compares closely to PricewaterhouseCoopers' expectation that (a) sophomores be able to explain the uses of IFRS and discuss its future importance, and that (b) juniors and seniors be able to discuss the current status of IFRS adoption, "articulate the sources of U.S. GAAP and IFRS, describe an example of IFRS financial statements, and identify and example of a difference between U.S. GAAP and IFRS" (Nilsen, 2008, p. 85). Resources for including IFRS coverage at this level are currently available from the major public accounting firms and as part of newer edition financial accounting textbooks, particularly in the intermediate series.

IFRS Exit Competencies Five Years Out**.** This research suggests a possible weighting for the coverage of IFRS knowledge and practice skills. The simulated rankings of the IFRS knowledge objectives provide a good starting point for curricular emphasis over the next five years. By 2013 students should be able to apply IFRS in recording transactions, prepare IFRS-based financials, and reconcile IFRS to U.S. GAAP. XBRL for IFRS and PE for IFRS should receive less weight. As for IFRS-U.S. GAAP differences, the data suggest emphasis should be on Revenue Recognition, Reevaluation of Property, Plant and Equipment, and Thresholds for Contingencies. To the survey results we would add LIFO inventory, which for some reason ranked surprisingly low in importance compared to the other differences. Our guess is that respondents felt that through the FASB-IASB convergence initiative, the LIFO issue would resolve itself as the standards evolved. Another possible explanation for the low ranking is that 70% of respondents were from small firms and may not be aware of the significant difference between IFRS inventory treatment and U.S. GAAP treatment. Regardless of the reason, the importance of IFRS-U.S. GAAP LIFO difference coverage requires further research. In the meantime, as long as U.S. GAAP allows for LIFO inventory valuation, this difference should be covered in the first tier of critical differences. Given additional lecture time, the next three differences to be discussed should be Development Costs, Curing Debt Covenant Violation after Year-end. Bonds and Gains on Leaseback would receive the least classroom coverage.

Faculty Development Is Critical. Although naysayers predict, aging accounting faculty will retire rather than retool on IFRS (Leone, 2008), teaching the status quo is not an option given employers' existing and future expectations for accounting undergraduate global financial reporting knowledge levels. Academics need institutional support in the form of release time, faculty development funds, and course redevelopment stipends to update existing courses. No less than the VP for Academic Affairs/Provost and Dean of the business school need to be aware of the magnitude of the curricular shift ahead for accounting educators. And Big 4 firms need to move beyond just providing course support material to providing a massive re-education campaign of existing faculty that borrows heavily from the in-house training that is already taking place across the world.

Limitations of the Study

Although the 23.6% useable response rate was satisfactory for a web survey, the sample (N = 66) was small, calling into question any cross-category statistical analyses that were performed. Nevertheless, the sample was fairly representative of a cross-section of employers in large urban areas that hire undergraduate Accounting majors. To address the low sample size, additional survey research is planned including a grant request to secure funding to expand the survey beyond the greater Los Angeles area. A revised analysis will then be conducted

Because respondents were not randomly selected, results are not generalizable. Our findings might not be representative of employers in other regions of the United States nor of all employers in the major categories of public accounting, industry, and government. Notwithstanding these limitations, we believe employer representatives participating in the survey provided valuable insight into integrating IFRS coverage into the undergraduate accounting curriculum today and as U.S. GAAP and IFRS converge over the next five years.

AUTHOR INFORMATION

Christopher G. Jones, CPA is an Associate Professor of Accounting and Information Systems at California State University, Northridge, where he teaches professional communication, introductory and intermediate financial accounting, and financial reporting for executives. He has a Ph.D. from Utah State University and an MBA from Brigham Young University. His current research interests are in IFRS, web-mediated accounting education, and the role of internal audit in systems development success.

Rishma Vedd, CGA is an Assistant Professor of Accounting at California State University, Northridge (CSUN). Professor Vedd earned her PhD in Accounting from University of Dundee, Scotland in 1999. Her areas of research include, international financial reporting, financial, management accounting and finance. Vedd's articles have been published in the International Academy of Business and Economics, Journal of International Finance & Economics, Journal of Applied Accounting Research, Journal of Problem and Perspectives in Management and Journal of Business Performance Management.

Sung Wook Yoon, CPA is an Assistant Professor of Accounting and Information Systems at California State University, Northridge, where he teaches international accounting and advanced financial accounting. He received his Ph.D. and MS from the University of Colorado at Boulder. His current research interests include international accounting issues including IFRS, financial accounting issues in capital markets, corporations' tax strategies, and accounting education.

The authors' mailing address is Department of Accounting and Information Systems, College of Business and Economics, California State University – Northridge, 18111 Nordhoff Street, Northridge, CA 91330 USA

REFERENCES

1. American Institute of Certified Public Accountants (AICPA). (2008a). *International Financial Reporting Standards (IFRS) — an AICPA Backgrounder*. Retrieved April 16, 2009, from http://www.ifrs.com/pdf/IFRSUpdate_V8.pdf
2. American Institute of Certified Public Accountants (AICPA). (2008b). *International Financial Reporting Standards: Questions and Answers*. Retrieved April 16, 2009, from http://www.ifrs.com/updates/aicpa/ifrs_faq.html
3. American Institute of Certified Public Accountants (AICPA). (2009). Highlights: The SEC Extended by Two Months the Comment Period for Its Proposed Road Map for the Adoption of IFRS for U.S. Issuers. *Journal of Accountancy, 207*(4), 12.
4. American Institute of Certified Public Accountants (AICPA). (Spring 2009). New Content and Skill Specification Outlines for the Uniform CPA Examination. *The Uniform CPA Examination Alert*, 1, 4-7.
5. Albrecht, D. (2008). Why IFRS Won't Work in the United States. *The Summa: Debits and Credits of Accounting Professor David Albrecht.* Retrieved April 15, 2009, from profalbrecht.wordpress.com/2008/09/26/why-ifrs-wont-work in-united-states
6. Bahnson, P. R., & Miller, P. B. W. (2008). The Spirit of Accounting: What Good Are Principles without Principles? *Accounting Today, 22*(18), 16-17.
7. Barth, M. E. (2008). Global Financial Reporting: Implications for U.S. Academics. *The Accounting Review*, *83*(5), 1159-1179.
8. Connolly, T., & Llanes, S. (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. *KPMG News*. Retrieved January 9, 2009, from http://www.us.kpmg.com/RutUS_prod/Documents/9/KPMG_and_AAA_Announce_Results_of_IFRS_Professor_Survey.pdf
9. Deloitte & Touche, LLP. (2008). *2008 IFRS Survey: Where Are We Today?* Retrieved January 3, 2009, from http://www.deloitte.com/dtt/cda/doc/content/us_assurance_IFRS_2008%20IFRS%20Survey.pdf
10. Deloitte & Touche, LLP. (2009). *Deloitte's IFRS University Consortium*. Retrieved April 16, 2009, from http://www.deloitte.com/dtt/article/0,1002,cid%253D206187,00.html
11. Financial Accounting Standards Board (FASB). (2007). Business Combinations. *Statement of Financial Accounting Standards No. 141 - Revised 2007*. Norwalk, CT: Author.
12. Fay, R., Brozovsky, J., Edmonds, J., Lobingier, P., & Hicks, S. (2008). *Incorporating International Financial Reporting Standards (IFRS) into Intermediate Accounting.* Retrieved April 16, 2009, from http://www.deloitte.com/dtt/cda/doc/content/us_assurance_Incorporating%2520IFRS%2520into%2520Intermediate%2520Accounting.pdf
13. Harris, R. (2008, May 22). Big Four Make Big Plans for IFRS. *CFO.com*. Retrieved April 17, 2009, from http://www.cfo.com/article.cfm/11434822
14. Hor, J., & Juchau, R. (2004). *Internationalising the Financial Accounting Curriculum:A Survey of Course Content and Coverage.* Paper presented at the Fourth Asia Pacific Interdisciplinary Research in Accounting Conference, Singapore.
15. International Accounting Standards Board (IASB). (2009a). *International Accounting Standards Board (IASB), IASC Foundation (IASCF): Who We Are and What We Do*. Retrieved April 16, 2009, from http://www.iasb.org/NR/rdonlyres/F9EC8205-E883-4A53-9972-AD95BD28E0B5/0/April09Whoweareandwhatwedo.pdf
16. International Accounting Standards Board (IASB). (2009b). Revenue. *International Accounting Standard No. 18*. Retrieved April 17, 2009, from http://www.iasb.org/NR/rdonlyres/3CB86BF9-8183-4990-B662-0696356864E6/0/IAS18.pdf.
17. Leone, M. (2008). Dying for a Date. *CFO.com*. Retrieved January 9, 2009, from http://www.cfo.com/article.cfm/11566491/c_11566846
18. Nicolaisen, D. T. (2005). A Securities Regulator Looks at Convergence. *Northwestern Journal of International Law and Business, 25*(3), 661-686.
19. Nilsen, K. (2008). On the Verge of an Academic Revolution: How IFRS Is Affecting Accounting Education. *Journal of Accountancy, 206*(6), 82-85.

20. PricewaterhouseCoopers, LLP. (2006). *IFRS: Embracing Change.* Retrieved January 9, 2009, from http://www.soxfirst.com/50226711/IFRS%20company%20survey%5B1%5D.pdf
21. PricewaterhouseCoopers, LLP. (2008). *IFRS and US GAAP: Similarities and Differences*. Retrieved January 8, 2008, from http://www.pwc.com/extweb/pwcpublications.nsf/docid/598E9D7EDF5239A0852574AB00659431/$File/IFRS_USGAAPSep08.pdf
22. Stuart, A. (2009). Which One When? *CFO Magazine*. Retrieved January 8, 2009, from http://www.cfo.com/article.cfm/12834698/c_12838677
23. Taub, S. (2007, September 25). IFRS and GAAP: The Good and the Bad. *Compliance Week*.
24. U.S. Securities and Exchange Commission (SEC). (2007). *Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Financial Reporting Standards without Reconciling to U.S. GAAP [Release Nos. 33-8879; 34-57026; International Series Release No. 1306; File No. S7-13-07]*. Washington, D.C.: Author.
25. U.S. Securities and Exchange Commission (SEC). (2008). *Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Report Standards by U.S. Issuers [Release Nos. 33-8982; 34-58960; File No. S7-27-08]*. 17 CFR Parts 210, 229, 230, 240, 244 and 249. Washington, D.C.: Author.
26. WebCPA. (2008, May 18). Ernst & Young to Develop IFRS Curriculum. *WebCPA*. Retrieved April 16, 2009, from http://www.webcpa.com/article.cfm?articleid=27792&print=yes
27. Wiley Publishing. (2009). *IFRS Boot Camp*. Retrieved April 16, 2009, from http://www.wileyauthorteamforsuccess.com/news.php
28. Zeff, S. A. (2007). Some Obstacles to Global Financial Reporting Comparability and Convergence. *The British Accounting Review, 39*(4), 290-302.

NOTES

NOTES