**ACCOUNTING 460**

International and Managerial Accounting

**Spring 2015**

SECTION 002 CRN 84968 T/TH 1:30 TO 2:45 (BUSAD E201)

SECTION 003 CRN 86134 T/TH 3:00 TO 4:15 (BUSAD E201)

**Instructor:** Dr. Shirley Daniel (E‑Mail: sdaniel@hawaii.edu)

**Office:** Shidler College of Business - BusAd B201 (Tel: 956‑3249):

**Office Hours:** THURSDAY 10:30 to noon and by appointment

I. **Course Description and Objectives:**

Course Catalog Description: Integration of numerous elements of the accounting program from an international perspective. Examines information for managerial decision-making, planning and control. Current accounting issues discussed.

This course covers two subjects: International Accounting and Management Accounting.

International Accounting: International Accounting Standards are gaining worldwide acceptance and it is expected that the U.S. companies will eventually adopt International Financial Reporting Standards (IFRS). This has been spurred by such developments as the explosion of multinational firms and the international diversification of securities investments. The understanding of international accounting practices and reporting is crucial to any American business expecting to succeed in the international market.

Management Accounting: This course covers methods used to report information for decision-making within service and manufacturing firms. Coverage includes activity based costing; preparing and analyzing budgets; cost-based managerial decision techniques, and the analysis of variances for performance evaluation, etc. The most important components of management accounting are: (a) costing, (b) planning and budgeting, and (c) control and performance measurements. Homework, Case discussions, student projects and oral presentations, and exams will be used to reinforce concepts covered in class as well as to evaluate the student's understanding of the material.

**Prerequisites**: 418 (or concurrent), no waiver.

II. Course Materials

1. Atkinson, Kaplan, Matsumura, Young, Management Accounting: Information for Decision Making and Strategic Execution, 6th Edition, Pearson/Prentice-Hall, 2012 (required).

2. Materials on Laulima (required).

3. Access to UH library and professional data bases

III. Grades

The following grading weights will apply to the course:

Paired-team Oral Presentation Projects (2@15 each) 30%

Individual Oral Case Presentation (1@15 each) 10%

Written Homework and Cases 20%

Written ratio assignment 10%

Mid-term Exam (management accounting) 15%

Final Exam (international accounting) 15%

**Total 100%**

Every student will participate in at least three oral communication assignments. During the presentations, each student not giving an oral presentation will prepare an oral presentation feedback evaluation form for each presentation. The ability to constructively analyze and offer improvement hints helps develop one’s own oral skills and awareness.

In fairness to other students, late work will not be accepted even for excused absences. The final grades will employ plus and minuses, within the A, B, C, D, and F framework (or I for incomplete).

IV. Attendance and Participation

Regular class attendance is a requirement of the course. The lecture and class discussion are an important part of the instructional program and, therefore, it is important that you be present on a regular basis. In appropriate situations, class attendance and participation may be taken into account in determining the final grades. All materials presented in lectures, whether or not covered in the text, may be tested on quizzes and/or examinations.

V. Important Due Dates

Mid-term Exam –Thursday March 19

Final Exam - TBA May 11-15

VI. Requirements

1. You will be required to: (a) read all of the assigned readings, cases, problems and exercises, and (b) prepare solutions for the assigned problems and exercises. All homework is to be prepared on appropriate paper, and in professional format. **In majority of cases I will ask you to provide your solution to me electronically on the Laulima Assignments tab, and also on paper. *Please*** **make sure that your solutions are prepared such that they follow an appropriate formatting.**
2. You are required to choose a U.S. company during the first week of the class and download its latest avalialbe10-K. I will ask you to perform some financial analysis of this company. Please note that you are also required to find financial statements for a foreign-based company in the same industry as the company of your selection. So, make sure that you select an interesting (to you) industry.
3. You are responsible for knowing about any changes in the syllabus, or any other information announced in class. If you miss a class, I suggest you consult your classmates and find out what you missed.
4. You are expected to attend every examination. No make‑ups will be allowed without prior approval by the instructor. In the event of an emergency, please inform the instructor and seek necessary permission. Failure to do will result in your absence being counted as an unexcused one.
5. You are required to check E‑mail messages and Laulima course website twice a week.

VII. Reminder

1. Please note that requests to reschedule exams are not allowed. Calculators are allowed for every exam.
2. Deadlines for dropping/withdrawing from this course: See **Important Dates to remember** above and see "Academic Calendar" at www.hawaii.edu/myuh/manoa for up-to-date information.
3. Please read this syllabus carefully and retain it for future reference. Certain information is listed for your convenience. You are responsible for verifying their accuracy and bringing them to the attention of the instructor.
4. All assignments are due at the beginning of the class on the due date. Please don't check assignment solutions with the instructor before the due date. All work submitted must be that of the student (or the student’s group). A student's submission of someone else's work as his/her own will result in the student's being dropped from the course with a grade F.

VIII. Withdrawal/Drop Policy:

The student has the responsibility to withdraw from the course (see above for dates). If a student stops attending class and does not drop the course, a grade of "F" will be assigned at the end of the semester.

IX. Disability access:

Students with disabilities are encouraged to contact the KOKUA program for information and services. Services are confidential and students are not charged for them. Contact KOKUA at 956-7511 (voice/text), kokua@hawaii.edu, or Student Services Center, Room 13.

X. Important note:

In the case of bomb threat, please meet at the lawn on the West side of Hawai'i Hall. I will then give you instructions regarding where the class will meet.

XI. Academic honesty (READ VERY CAREFULLY)

It is inappropriate to “borrow” from other sources on your papers at all levels. Because UHM is an academic community with high professional standards, its teaching, research, and service purposes are seriously disrupted and subverted by academic dishonesty. Such dishonesty includes cheating and plagiarism as defined below. Ignorance of these definitions will not provide an excuse for acts of academic dishonesty. Students who cheat or commit the act of plagiarism, will be assigned a grade of “F” for the course and will be reported to the Graduate Division for the most possible severe actions. Be sure to review the UH Student Code of Conduct, which is available at: http://www.studentaffairs.manoa.hawaii.edu/policies/conduct\_code/. Below are definitions for cheating and plagiarism.

1. Cheating includes but is not limited to giving or receiving unauthorized assistance during an examination; obtaining unauthorized information about an examination before it is given; submitting another's work as one’s own; using prohibited sources of information during an examination; fabricating or falsifying data in experiments and other research; altering the record of any grade; altering answers after an examination has been submitted; falsifying any official University record; or misrepresenting of facts in order to obtain exemptions from course requirements.
2. Plagiarism includes but is not limited to submitting, in fulfillment of an academic requirement, any work that has been copied in whole or in part from another individual's work without attributing that borrowed portion to the individual; neglecting to identify as a quotation another’s idea and particular phrasing that was not assimilated into the student’s language and style or paraphrasing a passage so that the reader is misled as to the source; submitting the same written or oral or artistic material in more than one course without obtaining authorization from the instructors involved; or "drylabbing," which includes obtaining and using experimental data and laboratory write-ups from other sections of a course or from previous terms.

Daily Schedule

This schedule is a general plan for the course. Changes may be necessary.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date**  **Pres #** | **Topic** | | | **Reading assignment/resources/case assignments** |
| Tues.  Jan 13. | Syllabus and Overview, organize assignments.  Overview of UH Library resources for assignments.  Oral communication skills training  AKMY Chapter 1  Video on management accounting  Sinclair online video “Production Planning and Cost Management” – 7 part mini- video series (30 minutes). (use link on Laulima) | | | Organize groups and projects: Choose a US firm and a Non-US firm in the same industry. For the first group project and presentation, you will prepare an industry overview and compute a standard set of ratios for the US firms you select and evaluate the results regarding profitability, solvency, liquidity, efficiency and investor returns. Knowing what you do about the firm, what issues need to be considered when using the ratios to analyze performance? |
|  | <http://digital.films.com.eres.library.manoa.hawaii.edu/PortalViewVideo.aspx?xtid=10839> | | | |
|  | Strategic Management and competitive analysis  Sinclair online video on demand digital educational video  “Optimizing the Value Chain” 8 parts (use link on Laulima) | | |  |
| <http://digital.films.com.eres.library.manoa.hawaii.edu/PortalViewVideo.aspx?xtid=10834> | | | |
|  | | | | |
| **I. Cost Accounting Fundamentals** | | | | |
| Thur.  Jan 15 | | Using Costs in Decision Making  AKMY Chapter 3 | | Quiz 1 |
| Tues  Jan 20 | | BSC and Strategy Map  Bob Kaplan U-TUBE videos on Balanced Scorecard  AKMY Chapter 2  AKMY Case 3-69 & 71 in class | | Discuss AKMY Case 2-54 |
| Th  Jan 22 | | Accumulating and Assigning Costs to Products  AKMY Chapter 4  AKMY Case 4-51 in class | | **Hand in IMA Case 1:**  **Tri-cities Community Bank** |
|  | |  | |  |
| Tues Jan 27  No 1 | | Activity Based Costing  AKMY Chapter 5  AKMY Case 5-35 in class | |  |
| Thurs  Jan 29  No 2 | | Prepare for class Presentations | | **Hand In IMA Case 2:**  **Product Cost: Application from an Insurance Company** |
|  | |  | |  |
| **II. Tools for Planning and Control** | | | | |
| Tue  Feb 3  No 3 | | Measuring and Managing Customer Relationships  AKMY Case 6-32 in class | | Presentation Group 1 |
| Thu  Feb 5 | | AKMY Chapter 6 | | **Hand in IMA Case 3:**  **Dynamic Medical Solutions** |
|  | | |
| Tue Feb 10 | | Measuring and Managing Process Performance  AKMY Chapter 7  Sinclair online video on demand digital educational video “Delivering continuous improvement: The automotive industry” (63 minutes, 13 parts) and “Toyota’s Drive to the Top” (50 minutes, 15 segments) (use link on Laulima) | |  |
| <http://digital.films.com.eres.library.manoa.hawaii.edu/PortalViewVideo.aspx?xtid=33326>  <http://digital.films.com.eres.library.manoa.hawaii.edu/PortalViewVideo.aspx?xtid=37611&loid=50655> | | |
| Thu  Feb 12  No 4 | | Measuring and Managing Process Performance  AKMY Chapter 7  Case 7-57, 58, 59  Presentations | | Presentation Group 2  **Hand in IMA Case 4:**  **A Declaration of War** |
|  | |  | |  |
| Tue  Feb 17  No 5 | | Measuring and Managing Life-Cycle Costs  AKMY Chapter 8  Case 8-45, 46 | | Presentation Group 3 |
| ThursFeb 19  No 6 | | Presentations | | **Hand in IMA Case 5:**  **Sunk Costs: What cost do you sea?**  Presentation Group 4 |
|  | |  | |  |
| **III. Performance evaluation, incentives and rewards** | | | | |
|  | |  | |  |
| Tues Feb 24  No 7 | | Behavioral and Organizational Issues in Management Accounting and Control Systems  AKMY Chapter 9  Case 9-96, 97 | | Presentation Group 5 |
| Thurs Feb 26  No 8 | | Class Presentations | | **Hand in IMA Case 6: Creating incentives by keeping score**  Presentation Group 6 |
|  | |  | |  |
| Tues Mar 3  No 9 | | Using Budgets for Planning and Control  AKMY Chapter 10  Case 10-76, 80 | | Presentation Group 7 |
| Thur  Mar 5  No 10 | | Class Presentations | | **Hand in IMA Case 7:**  **Buns Bakery**  Presentation Group 8 |
|  | |  | |  |
| Tues Mar 10  No 11 | | Financial Control  AKMY Chapter 11  Case 11-57, 59 | | Presentation Group 9 |
| Thur  Mar 12  No 12 | | Class Presentations | | **Hand in IMA Case 8:**  **Prairie Addiction Services** |
|  | |  | |  |
| Tues Mar 17  No 13 | | Review of Management accounting | | **Hand in IMA Case 9:**  **Tall Tree Casino**  Presentation Group 10 |
| Thursday Mar 19 | | **Mid-term exam** | |  |
| Mar  23-27 | | Spring Break – No Class | |  |
|  | |  | |  |
| **IV. International Accounting** | | | | |
|  | | |  |  |
| Tues  Mar 30 | | | Financial reporting in the global arena.  Accounting Theoretical Frameworks  US GAAP and IFRS  Purpose of financial reporting  Elements of financial statements  Arguments for and against convergence | For the second group presentation you will review the US GAAP and IFRS differences between the 2 firms, compare their accounting and disclosure, and compare their performance.  Compute a standard set of ratios for the 2 firms and compare the results regarding profitability, solvency, liquidity, efficiency, and investor returns. Knowing what you do about the firms, what issues need to be considered when using the ratios to analyze performance? Which firm is more profitable? Which has a stronger financial position? Which is the better investment prospect? |
| Thursday  April 2  No 14 | | | Current Assets  Receivables  Inventory  Marketable Securities | **Discussion of differences in IFRS and US GAAP and how they are reflected in your financials**  *International HW 1*  Class Presentation Group 1 |
| Tues April 7  No 15 | | | Property Plant and Equipment  Investments  Business Combinations/Goodwill  Intangible assets  Impairments | *International HW 2*  Class Presentation Group 2 |
| Thurs April 9  No 16 | | | Leases  Liabilities  Deferred Taxes | *International HW 3*  Class Presentation Group 3 |
| Tues April 14  No 17 | | | Pensions  Contingencies  Convertible Debt | *International HW 4*  Class Presentations Group 4 |
| Thurs April 16  No 18 | | | Equity  Preferred stock  Executive Compensation | *International HW 5*  Class Presentations Group 5 |
| Tues April 21  No 19 | | | Accounting Changes/Error corrections  Discontinued operations  Long-term contracts | *International HW 6*  Class Presentations Group 6 |
| Thursday April 23  No 20 | | | Derivatives and Hedge Accounting  Segment reporting  Interim Reporting | *International HW 7*  Class Presentations Group 7 |
| Tuesday April 28 | | | Income – Revenue recognition  Expenses | *International HW 8*  Class Presentations Group 8 |
| Thursday April 30 | | | Cash Flows | *International HW 9*  Class Presentation Group 9 |
| Tuesday May 5 | | | Review of financial and international accounting  Final reports due – upload to Laulima and bring paper copy to hand in. | *International HW 10*  Class Presentation Group 10 |
|  | | | **FINAL EXAM** week May 11-15 | |

\*: This schedule is a general plan for the course. Changes may be necessary.

**Instructions for Student Team and Individual Oral Presentations**

During the first week of class, students will be assigned to teams of 2 students. It is expected that the team pairs will remain the same throughout the semester. Each team will make two oral presentations.

Each team will select an industry to study for the class. Each team will also select 2 firms from the industry from 2 different countries (probably a US and a foreign firm). See examples below for potential industry and firm selections.

For each firm, students are required to obtain the annual report and 10-k and proxy statement for their firm (or appropriate stock exchange filing for the company in the country they list their stock). These reports should be downloaded to the student’s laptop and brought to class for use in discussion and interactive learning during class.

In addition, each student will make one individual presentation, for a total of three presentations for the semester.

Individual presentations: Each student will be responsible for a 10-minute presentation discussing research they have done (citing articles, etc.) relating to a management accounting challenge in the industry they have selected, or an international reporting issue relating to the industry or one of the companies they have selected. Students will be required to submit a powerpoint presentation or a 2 page memo summarizing their presentation. Dates for student presentations will be assigned at random.

Team Presentations: During the second week of class, student teams will specify preferred dates (or draw 2 numbers) representing the 2 dates/ assignments on which their presentations will be made.

Team presentations for the management accounting class will be industry analysis and financial performance of the US company selected. Team presentations for the international accounting portion of the class will focus on a comparative analysis of the two firms, particularly the US GAAP versus the international accounting method in the firms selected.

During the semester each team will be required to present two 15-minute presentations, one being the US industry and ratio analysis, and one being the comparative and international accounting assignment relating to the firms they chose. Students will also be required to submit a powerpoint presentation or a 2 page memo summarizing these presentations.

#### Examples of possible project assignments industries and firms

**Each team of 2 students must choose an industry and then choose one US firm and one from a different country. These are just examples. If you have another idea, please feel free to discuss it with the instructor.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Industry/product** | **Example US firms\*** | **Example European firms\*** | **Example Asian firms\*** |
| Cameras | Kodak (US) | Leica Camera AG (Germany) | Canon (Japan) |
| Automotive | Ford Motor or  GM | Fiat group (Italy) or BMW (Germany)  Peugeot (France) | Tata motors (India)  Or Hyundai (Korea)  Toyota (Japan) |
| Beer/beverages | Fosters (Australia) | Heinekin Holdings N.V. (Netherlands) | Kirin Holdings Company LTD (Japan) or Asia Pacific Breweries, LTD (Singapore) |
| Heavy equipment | Terex | Volvo Group (Sweden) | Komatsu (Japan) |
| Chemicals | Dow Chemical | BASF (Germany) | SABIC (Saudi Arabia) |
| Defense contractors | Northrop Grumman | SAAB AB Technologies (Sweden) | Mitsubishi Heavy Industries (Japan) |
| Semiconductor | AMD | CML Microsystems (UK) | Mosel Vitelic (Taiwan) |
| Confectionary/ snacks | Hersheys | Cadbury (UK) | Meiji Dairies Corporation (Japan) |
| Home appliances | Whirlpool Corporation | Electrolux (Sweden) or  BSH Bosch und Siemens Hausgeräte GmbH (Germany) | LG (Korea)  Haier (China) |
| Airlines | United | British Airways | Japan Airlines |
| Hotels | Starwood  Choice  Carlson  Best Western | Accor (France)  Sol Melia (Spain)  Hilton International (GB)  Louvre (France)  ICH group (GB) | Dusit Thani (Thailand)  Prince Hotels (J)  Hankyu Daiichi Hotel Group (J)  New Otani (J) |
| Banking | Citibank | HSBC (UK)  SOCGEN (France) |  |
| Retail | Walmart | Harrods (UK) | Inditex (Spain) |
| Telecom | Sprint | Vodaphone | China telecom |
| Heavy equipment | Terex  Caterpillar | Volvo (Sweden) | Komatsu (Japan) |
| Electronics | HP | Phillips | NEC (Japan)  Lenovo (China) |
| Mobile phone handsets | Apple | Nokia (Finland) | Samsung (Korea) |
| Diversified equipment | General Electric | Siemens (Germany) | Matsushita (Japan) |
| Oil and Gas | Exxon | British Petroleum | PetroChina |
| Pharmaceuticals | Pfizer | Novartis (Swiss) | CSL (Australia) |
|  |  |  |  |
|  |  |  |  |

\*some exceptions to country home base were made due to consolidation in the industry or financial problems with firms. Acc 460 – International Financial Ratio Analysis and Reporting Team Project

**Company Selection:**

Select 2 companies in the same industry to do a comprehensive financial analysis. You need to choose a US company that is publicly traded on the New York Stock Exchange, NASDAQ or ASE*.* Obtain the most recent 10K, annual report and proxy statement. This can be obtained using the EDGAR data base, Mergent Online or from the company website. Also, if possible, obtain an analysts report and begin looking up press releases about the company and its competitors as well as the industry it operates in. Obtain industry averages for ratios and common size financial statements.

The second company should be a non-US firm in the same industry, preferably using IFRS. Obtain similar regulatory reports, financial statements, and information about corporate governance and executive compensation.

**Purpose:**

The financial statements and disclosures are intended to provide external investors, creditors, and other users with information about the performance of the company. Investors are interested in the profitability of the firm relative to its industry peers, as well as the effectiveness of management. Creditors are interested in the ability of the firm to repay debt with interest. Regulators and other stakeholders are interested in protecting the public and making sure that the firm is in compliance with laws and other requirements.

To address these needs, financial statement information is analyzed using a number of well-accepted techniques, tools and methods, which every accounting student should know. This assignment is designed to help you learn where to obtain the relevant information for financial statement analysis, and to organize and analyze this information to obtain a better understanding of the company’s profitability, liquidity, solvency and overall performance over time and in relation to industry peers. It is also designed to introduce you to IFRS and a practical application to compare US GAAP to IFRS.

**Your Tasks, Presentations, and Products to Hand In:**

Presentation 1: In tabular format, prepare a complete set of ratios and common size financial statements for the most recent 3-year ends for the US company you have selected. Obtain industry averages to compare to your firms’ performance, and add these figures to the tables prepared in #1 above.

Prepare a PowerPoint presentation and a 3 to 5 page summary memo analyzing the firm’s profitability, turnover, liquidity and solvency. Compare the firm’s performance over time and with the industry. Include information from analyst reports and other information you find in the business press. Conclude with your personal assessment of whether the firms would be a good investment, a good credit risk, a good company to work for.

Presentation 2: Using information from the non-US firm, complete a set of ratios and common size financial statements for the most recent 2 or 3-year ends. Compare the performance of the US and Non-US firms, and relate to the overall industry performance. Also compare the major differences in financial presentation, disclosure and policy of the 2 firms.

Prepare a PowerPoint presentation and a short summary (3 to 5 pages) of the foreign firm’s performance, and also of the major US-GAAP versus IFRS (or non-US standards used) differences in the two firms. Comment on the report format, disclosures, and major accounting policies. (Refer to additional instructions provided in this document for guidance. We will discuss these issues in class, and the finished product to include in your oral presentation and summary written report.)

Required for both Presentations: upload the powerpoint presentation and written assignment to the laulima website by the due dates noted on the syllabus.

**Additional Instructions and Advice:**

# We will be discussing issues that are relevant to this financial statement analysis as we study the chapter material. Bring your financial statements with you to class and complete these intermediate steps of the project as we cover the chapter materials. This will greatly facilitate your learning, ease the burden of this project, and will improve your grade on the assignment. You may be called upon to share your assessment of these issues for your firm during the class.

1. Initial information and ratio calculations and industry averages: Use the UH Manoa Hamilton Library website and find the resources for industry averages and other useful information that will help you analyze your firm and compare to others in the industry. Set up your spreadsheets to compute common size financial ratios for the past 3 years. Put the industry averages in a fourth column. What trends do you see? What are the major categories of expense for the firm? What is their pre-tax and after-tax profit margin? Disaggregate Return on Equity into the 3 components of Return on Assets, Profit Margin and Leverage. Does your firm make money on margins or volume? Is it capital intensive? Is it highly leveraged?

2. Compute the major profitability/operating ratios for the past 3 years. What trends do you see? How does your company compare to the industry? What are the major sources of revenue for the firm? When/how is revenue recognized? What is the R&D spending ratio? Are there any unusual/extraordinary items or discontinued operations on the income statement? What is their income tax expense %? Find the Tax footnote and identify the primary permanent differences and temporary items that create deferred taxes. Do they have foreign currency translations?

3. Compute the liquidity and turnover ratios for the past 3 years. What trends do you see? How do they compare to the industry? What is the nature of the company’s accounts receivable? Do they have an allowance for doubtful accounts? If so, what % of receivables in the allowance? What is their collection period? What is the nature of their inventory? What method of costing are they using for valuing inventory? Do they disclose Raw materials, WIP and finished goods balances? How capital intensive is the company? What is their fixed asset turnover ratio? What depreciation methods do they use?

4. What is the reporting entity, and how many firms are consolidated? Does the company have investments accounted for using the equity method? Find the investments footnote disclosures – what amounts are included in trading, available for sale and held to maturity? Does the firm have intangible assets? If so, what type and how are they valued?

5. Compute the solvency ratios for the past 3 years. What trends do you see? How does your company compare to the industry? Find the debt footnote – what interest rates are being paid? Has the company entered into interest rate swaps? What are the coming 5-year maturities for long-term debt? What is the firm’s credit rating?

6. What classes of stock does the company have? Did the company issue stock during the year? Does the company have treasury stock? If so, what method do they use to account for it? Did the company issue a cash dividend – if so, how much? Did the company issue a stock dividend or a stock split? Compute return on Equity, Payout ratio, and dividend yield for the past 3 years. Compute the book value of the stock and compare it the market value of the stock for the most recent year-end. What type of stock compensation plans does the company have?

7. Does the company have capital leases? Operating leases? What are the 5-year maturities? What type of retirement and post-retirement benefit plans does the company have? Are they funded? Does the company have any special purpose entities? If so are they consolidated?

8. Examine the statement of stockholders equity. What are the elements of other comprehensive income? What information can be found here that you didn’t see before?

9. Examine the Statement of Cash Flows. What are the primary operating expenses that don’t use cash? Are there income or revenue items that don’t generate cash? What are the primary investing and financing activities of the firm?

10. Review the remaining footnote disclosures. Are there items you still don’t understand?

11. Executive Compensation: Locate the proxy statement for your company and print out the table describing executive compensation. What do you think of the amount executives are paid? How much of their pay comes form stock options?

12 Pensions: Do your firms have defined benefit and/or defined contribution plans? What is the unfunded liability for the defined benefit plans? What was the contribution for defined contribution plans?

13. Who are the firm’s auditors? Did they change auditors in the past 3 years? Did the firm receive an unqualified opinion on internal controls? On the financial statements?

14. Review the recent financial press for your firm. Check their website and see if there is a webcast or other information about recent meetings with analysts. Are there new issues or other items that occurred since the past year-end that are important or that surprised you?

15. Would you invest in the firm? Would you extend credit? Would you like to work for the firm?

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**Appendix- Rationale for Oral Communication Focus requirement**

The National Communication Association has established basic oral communication competencies for college graduates. These competencies were culled from numerous articles published in top tier journals in the Speech Communication field. Among the competencies set forth by the National Communication Association are basic skills for **informing, persuading, and relating to others.** These skills include sending and receiving oral communication messages, message development and organization, adapting messages to the particular situation and audience, communicating interpersonally and in small groups, and evaluating the oral communication messages of others. (See [National Communication Association web site](http://www.natcom.org) for further information.)

Oral communication skills benefit students academically, interpersonally, and in their future careers. Students who participate in class discussions are more involved in their own learning. Students who can express themselves well find it easier to give oral presentations in class as well as to interact with their instructors and with other students. Employers seek applicants who have excellent oral communication skills.

Because UHM believes that its students should be prepared to use oral communication skills in a variety of contexts, including public presentations and group and interpersonal interactions, an O course is required for graduation.

**Oral communication defined**

Oral communication involves expressing and sharing ideas and information as well as influencing others through verbal and nonverbal symbols. Instructors who want to improve students' oral communication skills can design assignments that ask students to

* **inform** - provide others with new information,
* **persuade** - modify or change attitudes and/or behaviors, or to reinforce already-existing attitudes or behaviors, or
* **entertain or move** - influence others' emotions.

**Acceptable class assignments**

Instructors of O Focus courses can use a variety of assignments to meet Hallmark 1 which states that students in O courses will *"conduct or participate in a minimum of three oral communication assignments or a comparable amount of oral communication activity during the course. . . ."*

**Steps to effective oral communication: Typical steps students should follow when preparing to give an oral presentation**

Below are steps that students can follow so that their oral communication presentation is successful.

**Step 1. Determine general purpose**

First, either assign or have students decide on the general purpose of their oral presentation: to inform, to persuade, or to entertain or move an audience.

[Oral Communication Foundations & Impromptu Speaking](http://www.hawaii.edu/gened/oc/Foundations.ppt) (PowerPoint presentation)

Then, you can help your students by pointing out that effective oral communicators are concerned with three elements: (1) content; (2) organization and (3) delivery of messages.

* *Content* is the actual information that is conveyed in an oral presentation.
* *Organization* is how the presentation is structured, including the organizational pattern as well as the inclusion of an introduction, body, and conclusion to the message.
* *Delivery* includes the verbal and nonverbal means by which the message is conveyed to the audience.

**Step 2. Analyze the audience**

Communicators often say things they regret or that are not well-received by audiences simply because the communicator failed to properly analyze his or her audience before speaking. Students must analyze their audience in order to tailor their message to that audience.

Speakers analyze their audience prior to a presentation so she/he can determine the knowledge level of an audience as well as factors such as likes and dislikes, attitudes, values, and so on. Speakers should also analyze demographic characteristics of an audience such as sex, age, ethnicity, religion, political affiliations, and so on. In short, a speaker should gather as much information as possible prior to giving a presentation, so that she or he presents the most useful, relevant information possible and avoids offending or embarrassing audience members during the presentation.

A speaker analyzes an audience by making observations of audience members prior to the presentation, or by having audience members complete a questionnaire that includes demographic and attitudinal information. Information about audience members in a particular organization can be provided by a contact person in the organization or from the organization’s Web site.

[Audience Analysis](http://www.hawaii.edu/gened/oc/audanalysis.ppt) (PowerPoint presentation, 5 slides)

**Step 3. Determine the specific purpose**

While a general purpose is to inform, to persuade, or to entertain or move an audience, a specific purpose indicates the thesis, or the specific content, of a presentation. For example, you may ask your students to give an informative presentation on the work of an eminent architect. The general purpose is to inform, and the specific purpose might be to provide the audience with information about the work of Frank Lloyd Wright. The specific purpose narrows the topic and focuses the presentation. The specific purpose should be stated in the presentation so the audience knows exactly what to expect.

[Informative Speaking](http://www.hawaii.edu/gened/oc/InformSpeaking.ppt) (PowerPoint presentation)

[Persuasive Speaking](http://www.hawaii.edu/gened/oc/persuade.ppt) (PowerPoint presentation)

**Step 4. Research the presentation**

Students should gather facts, figures, examples, testimony, and so on to present to their audience. This information is gathered, for example, from library sources, the Internet, interviews, periodicals.

[Establishing Your Credibility & Presenting Evidence](http://www.hawaii.edu/gened/oc/crediblty_evidence.ppt) (PowerPoint presentation, 10 slides)

**Step 5. Organize and outline the presentation**

After gathering information regarding the topic of the presentation, students should organize the information. This requires determining an appropriate organizational pattern and dividing the information into major points.

Presentations can be organized chronologically, topically, spatially (how things relate to one another by location or position), or by cause-effect or problem-solution patterns. Typically, presentations contain two to five major points.

It is helpful to have students prepare written outlines of their presentations, including an introduction, a body, and a conclusion.

The introduction of a presentation outline usually includes some type of device to gain the attention of the audience, such as a story, an anecdote, a quotation, or a question for the audience to think about or to answer aloud. Also in the introduction is the thesis or specific purpose statement, which is typically a single declarative sentence. Finally, it is helpful to include a sentence which previews each of the major points to be included in the body of the presentation.

The body of the presentation outline includes the major points and sub-points or details to be covered in the presentation.

The conclusion of the presentation outline includes a summary of the major points covered and a statement that concludes the presentation smoothly. Preparation of a concluding statement helps students avoid an awkward ending to the presentation.

[Sample: Oral Presentation Outline Format for Students](http://www.hawaii.edu/gened/oc/outline_format.htm)

[Organizing](http://www.hawaii.edu/gened/oc/organizing.ppt) (PowerPoint presentation)

[Outlining](http://www.hawaii.edu/gened/oc/Outlining.ppt) (PowerPoint presentation)

[Introductions & Conclusions](http://www.hawaii.edu/gened/oc/intro_concl.ppt) (PowerPoint presentation)

**Step 6. Prepare visual aids**

It is useful to have visual representations of material in a presentation. Visual aids make a presentation more clear, interesting, and memorable. Visual aids help a speaker capture the attention of the audience and also make the presentation more understandable to the audience.

Types of visual aids that students may use include PowerPoint, overhead transparencies, videotapes or DVDs, objects, models, drawings, people, slides, maps, photographs and charts or graphs.

Since the purpose of using visual aids is to enhance a presentation by providing a visual representation, it is important that students follow some basic rules in using visual aids:

* *Visual aids should be substantive.* Visual aids should add to the presentation
* *Visual aids should be easily seen by the audience*. Words, charts, photos, and so on need to be large enough so that everyone in the room can see them. Visual aids that are too small to see do not add to a presentation; indeed, they compromise the credibility of the speaker.
* *Speakers should not obstruct the audience’s view of the visual aids*. If a speaker displays visual aids on a screen in front of the room, he/she should not stand in front of the screen.
* *Maintain eye contact while using the visual aids.* In other words, talk to the audience, not to the visual aid.
* *Explain the visual aids*. A speaker cannot assume that the audience will understand the visual aids; interpret and explain the visual aids.
* *Do not pass objects among the audience*. Speakers sometimes do this so that audience members can get a closer look at the object. However, if the object was too small, the speaker should not have used it. Passing objects among the audience is distracting. It would be better for the speaker to invite audience members to look at the objects after the presentation, or after class.
* *Use handouts appropriately.* Unless a speaker will refer to a handout throughout the presentation, it is best to wait until after the presentation to distribute handouts. Audience members can become distracted by reading the handout rather than listening to the speaker.
* *Use appropriate visual aids*. Dangerous or illegal visual aids should be avoided.
* *Practice the presentation with the visual aids.* Students should prepare visual aids well enough in advance so they can practice their presentation with them. This will give the students a good indication of how long it will take to display and discuss the visual aids during the actual presentation in class.
* *Learn how to use the equipment in the classroom*. It is helpful to emphasize to students the importance of planning visual aids in advance and making sure they know how to use any electronic or computer equipment ahead of time.

Many classrooms at UHM contain computers and other electronic equipment, and include instructions for using the equipment. To determine what equipment your classroom has, see the UHM Center for Instructional Support Web site: [www.cis.hawaii.edu](http://www.cis.hawaii.edu/)

[Visual Aids](http://www.hawaii.edu/gened/oc/visualaids.ppt) (PowerPoint presentation)

**Step 7. Rehearse the presentation**

It is helpful for students to rehearse their presentations many times before delivering the presentation to the class. The best way to do so is for students to practice the presentation from beginning to end (from introduction to concluding statement), following their outline and incorporating their visual aids.

If you have given students a time limit for the presentation (e.g. 10-12 minutes), encourage them to time their presentation when they practice. Students often think that five minutes is a very long time to speak in front of the class, and are quite surprised to learn that their presentation was actually 15 minutes long!

[Delivery & Nonverbal Cues](http://www.hawaii.edu/gened/oc/delivery.ppt) (PowerPoint presentation, 7 slides)

**Step 8. Deliver the presentation to the class**

Finally, students are ready to give their presentations to the class. There are various modes of delivery, and it is helpful to direct students to use the most appropriate mode for the situation.

A *manuscript* mode of delivery involves writing a presentation word-for-word and reading the presentation to the audience. It is used when a speaker needs to be very precise in what she/he says. For example, the President of the United States primarily uses a manuscript mode so as not to say something inappropriate or inaccurate.

A *memorized* mode of delivery involves writing a presentation word-for-word and reciting the presentation from memory. It is used for shorter presentations, such as introducing a speaker or delivering a toast or a eulogy.

An *impromptu* mode of delivery involves very little or no preparation or practice time. It is used for "on-the-spot" presentations such as participating in class, giving directions to someone on the street, or for presenting results of in-class activities.

An *extemporaneous* mode of delivery involves thorough preparation and practice and is conversational in style. It is used for most types of in-class presentations because it allows students to use notes while they speak and allows for flexibility during a presentation. For example, if a student is presenting from a manuscript, he/she cannot adapt to audience feedback by deviating from their script. With extemporaneous delivery, students can adjust the complexity or the length of their message to fit the situation at hand. Perhaps the best argument for an extemporaneous mode of delivery is that it is conversational and therefore more interesting for the audience to listen to.

It is important to look at various aspects of delivery when evaluating a speaker: Gestures and movement, vocal variety, eye contact, and use of visual aids.

*Gestures and movement*. Speakers should be encouraged to move about the room as they speak, rather than standing behind a podium or lectern for the entire presentation. This movement makes the presentation more interesting to listen to, creates a more immediate environment in which the physical and psychological distance between the speaker and the audience is lessened, and also helps a speaker channel their nervous energy. A moderate amount of movement is best; more movement than simply standing in one place but not so much movement that it seems the speaker is pacing during the entire presentation. Gestures should not be planned but rather should occur naturally as a speaker delivers her/his presentation.

*Vocal variety*: Vocal variety includes tone of voice, the rate at which we speak, pitch, volume, proper pronunciation, articulation, and the use of pauses. Effective vocal variety is crucial to effective delivery. We are all familiar with speakers who talk so fast that their words become jumbled, or those who talk so slow and monotone that they put us to sleep.

Speakers should avoid using filled pauses such as "um," "uh," "like," and "you know." Speakers often vocalize pauses because they are uncomfortable with even a second of silence while standing before an audience. Emphasize to students that unfilled pauses are perfectly acceptable and can be used to emphasize important points in a presentation (e.g. the dramatic pause).

*Eye contact and facial expression.* Eye contact with an audience makes a speaker seem more believable and trustworthy and it also helps speakers gauge audience feedback. Speakers can use facial expressions to convey their feelings, attitudes and emotions. Appropriate facial expressions make a speaker more interesting to listen to and enhance a speaker’s credibility.

**Step 9. Self assess the presentation**

In our public speaking courses, student presentations are videotaped and the students watch the tape and write a self-evaluation of their performance. Even if videotaping is not possible, it is useful to have students reflect in some way on their presentation - the strengths of the presentation as well as things to work on for the next presentation.

[Sample: Self Evaluation Form for Students](http://www.hawaii.edu/gened/oc/self_evaluation.htm)

**Communication apprehension**

Many students suffer communication apprehension (CA) -- "a fear or anxiety associated with communicating" (Richmond & McCroskey, 1998). CA is quite common, especially when it comes to public speaking. Highly apprehensive students are hesitant to take courses where oral communication is a component, and do so only if they need to fulfill certain requirements for their major and/or graduation.

CA is experienced not only in public speaking, but in any oral communication situation such as interpersonal communication, meetings, small group communication, talking on the phone, employment interviews, and so on. CA is experienced differently by everyone. Some people are not apprehensive about communicating regardless of the situation.

Students can assess their level of apprehension in different settings by completing the Personal Report of Communication Apprehension (PRCA-24) (McCroskey, 1982).

[Personal Report of Communication Apprehension](http://www.hawaii.edu/gened/oc/prca.htm) - web format

[Personal Report of Communication Apprehension](http://www.hawaii.edu/gened/oc/PRCA-24.pdf) - Acrobat (PDF) format for easy printing

**Helping students manage communication apprehension**

Here are a few tips for highly apprehensive students to help them deal with their fear of oral communication:

* **Prepare thoroughly.** Outline the presentation and practice it several times before delivering the presentation to an audience.
* **Speak about a familiar topic**. It is much easier to speak on topics that we already know about, rather than trying to tackle unfamiliar territory. Students sometimes choose topics because they know they can find a great deal of information on that topic. However, it is best to stick with topics that interest you and that are familiar.
* **Realize that you are not alone**. Most people are apprehensive about speaking in public and just as nervous as everyone else about giving a class presentation.
* **Focus on getting the message across to the audience** rather than on what the audience is thinking of you as a speaker. Realize that you feel more nervous than you actually look. The audience is focused on listening to your message, not on how nervous you look.
* **Use positive visualization**. It is helpful to imagine yourself giving a successful presentation to an appreciative audience. Negative thoughts and doubts increase anxiety, whereas positive visualization makes you feel more comfortable and confident.
* **Practice relaxation techniques**. It is helpful to manage speaking anxiety by using techniques such as deep-breathing, exercise, meditation, or yoga. Students may want to take a walk across campus before a presentation, for example.
* **Use visual aids in your presentation**. Students report that using visual aids is helpful in managing anxiety. This is because the attention is diverted from the speaker to the visual aids and also because visual aids give the speaker something to work with while they speak. This gives the speaker something to do with their hands and helps to channel nervous energy.
* **Practice**. The more a speaker practices, the more familiar he/she is with the information and the more comfortable he/she will be during the actual presentation. The value of practice cannot be emphasized enough when it comes to giving class presentations.

**Evaluating student presentations: Written feedback from peers**

Students learn critical thinking and listening skills by completing written evaluations of peer performances. The evaluation forms above can be modified to become student peer evaluation forms. It is sometimes helpful to have students complete peer evaluations anonymously, to insure the most useful and honest feedback.

[Sample: Informative Presentation Peer Evaluation Form](http://www.hawaii.edu/gened/oc/informative_peer_eval.htm) - web page format  
[Sample: Informative Presentation Peer Evaluation Form](http://www.hawaii.edu/gened/oc/informative_peer_eval.pdf) - Acrobat (PDF) for easy printing

[Sample: Persuasive Presentation Peer Evaluation Form](http://www.hawaii.edu/gened/oc/persuasive_peer_eval.htm) - web page format  
[Sample: Persuasive Presentation Peer Evaluation Form](http://www.hawaii.edu/gened/oc/persuasive_peer_eval.pdf) - Acrobat (PDF) for easy printing

[Listening & Providing Feedback](http://www.hawaii.edu/gened/oc/listen_fdbk.ppt) (PowerPoint presentation)

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McCroskey, J.C. (1982). *An Introduction to Rhetorical Communication, 4th ed.* Englewood Cliffs, NJ: Prentice-Hall.

Richmond, V.P., & McCroskey, J.C. (1998). *Communication: Apprehension, avoidance, and effectiveness, 5th ed..* Boston, MA: Allyn & Bacon.

Schaller, K. (2002). *Principles of effective public speaking: Student workbook.* Boston, MA: McGraw-Hill.

**Online oral presentation skills and examples:**

<http://www.bnet.com/blog/ceo/how-to-give-a-killer-presentation/1584>

<http://www.youtube.com/watch?v=A3QL2DpKKVI>

<http://www.youtube.com/watch?v=EFJg1T2hMk8&feature=related>

Management accounting resources:

[www.mhhe.com/garrison13e](http://www.mhhe.com/garrison13e)