Have we heard the last of IFRS?

New Course
Students learn to stand up for ethics

Taking lunch to the streets
Honor students feed the homeless
Dear alumni and friends,

In this newsletter we want to update you in a number of areas, including providing information on our students, programs, faculty, Professional Advisory Board and alumni.

In addition, I am happy to report continued high ratings of our programs. As is discussed later in this newsletter, the growing number of “rating organizations” has resulted in many different sets of results. Most recently, the Accounting Degree Review published a study that combines the various analyses. Our current standings are summarized as:

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<th>Undergraduate</th>
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<td>Public Universities</td>
<td>9th</td>
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<tr>
<td>All Universities</td>
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In addition, one study addressed master’s program affordability and ranked ours at 10th, stating that students of both of our programs (Accountancy and Taxation) benefit from supportive career services (which lead to a nearly 100% domestic student placement rate within 90 days of graduation), world-class faculty who freely impart their real-world experiences to pupils and an impressively small student-to-faculty ratio of 3:1.

I’m also happy to report we are ranked No. 1 in Arizona across these programs. These rankings are a significant achievement given there are over 600 business schools with AACSB accreditation. We credit this success to support from our alumni and friends, the hard work of our faculty and staff and our outstanding students.

Please feel free to contact me, any of your former instructors or our staff here at the W. P. Carey School of Business if we can be of service.

Philip Reckers
Director, School of Accountancy
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Phil.Reckers@asu.edu
KAPLAN ASSISTS NEW BUSINESS SCHOOL

Professor Steve Kaplan is playing a formative role at the new School of Business and Finance at Monash University in Melbourne, Australia. In March, while Kaplan was visiting, the university council voted to establish the new school. Kaplan will travel there twice a year to work directly with faculty and doctoral students strengthening research methodologies consistent with U.S. accounting journal standards. Monash is the most prestigious of Australia’s eight universities.

PROMOTION

Artur Hugon has been promoted to associate professor in the School of Accountancy. Hugon, who received his Ph.D. from the University of Southern California, also taught at Georgia State University for four years. Hugon joined the ASU faculty in 2008.

QUOTABLE

Professor of Practice Don Goldman was interviewed by several national media outlets in recent months on taxation. Of particular interest was Goldman’s expertise on inversion, a practice that was widely debated following news that some companies are moving corporate headquarters out of the U.S. Notable among the media hits quoting Goldman were an interview in U.S. News & World Report and a story distributed by the Associated Press that was carried in newspapers around the country.

TRANSITIONS

This spring two faculty members announced their retirements and two more moved on to new positions:

Senior Lecturer Glenda Levendowski, who retired this spring, earned her master’s degree in accounting at the University of Houston—Clear Lake City. She joined our faculty in 2003, having previously taught at Mesa Community College. Among her awards are the Scott and Mary Donaldson Excellence in Teaching Award and the W. P. Carey Business School Council Faculty Advisor of the Year award in 2007. She taught financial accounting, managerial accounting and taxation for the school.

Senior Lecturer Harriet Maccracken, who earned her master’s degree in accounting at W. P. Carey in 1980, taught financial accounting in the school beginning in 1995. In 2003 she was honored with the American Accounting Association Innovation in Accounting Education Award, and in 2001 she received the Arizona Society of CPAs Award for Innovation in Education. Maccracken, whose geologist husband Ed Stump is also retiring from ASU, traveled to Antarctica this summer. Stump’s research career focused on Antarctica, and he has been hired as an expert naturalist on a two-week cruise. Eventually Maccracken hopes to channel her energy into “something that helps disadvantaged kids.”

Assistant Professor Hyeesoo (Sally) Chung accepted a position as associate professor at California State University, Long Beach. She joined the ASU West School of Global Management and Leadership in the fall of 2005 and became a member of our faculty when the two schools became one. She taught various financial accounting courses.

Associate Professor Yuhchang Hwang accepted a position as a professor at the China Europe International Business School in Shanghai. He joined our faculty in 2001, having previously taught at the University of Pittsburgh. A Dean’s Council of 100 Scholar for three years, Hwang taught in the W. P. Carey MBA and the Executive MBA in China programs as well as in the doctoral program.

HALL OF FAME

Emeritus Professor Joseph Schultz was inducted into the Faculty Hall of Fame during the 2014 Faculty and Student Awards ceremony in April. Schultz, who joined the ASU faculty in 1983, taught undergraduate, masters, doctoral and executive education courses. As a faculty member, he received the Outstanding Teaching Award for MBA and Master’s Programs and the John W. Teets Outstanding Graduate Teaching Award.
NEW THIS FALL: FACULTY & DOCTORAL STUDENTS

The School of Accountancy welcomed seven new faculty members this fall. Accomplished scholars and teachers, they build the school’s teaching and research muscle while adding diversity to the department. With the demand for accounting faculty of this caliber rising every year, school director Phil Reckers commented that “we have been most fortunate to recruit such strong candidates.” The school also welcomes three new doctoral candidates.

THIS YEAR’S NEW SCHOLARS:

**Michael Garverick** joins the school as a clinical assistant professor from Georgia State University where he completed his doctorate. He teaches accounting information systems and managerial accounting. Garverick’s dissertation was titled “Motives and Barriers to Cloud ERP Selection for SMEs: A Survey of Value Added Resellers Perspectives” and his continuing research interests include cloud computing, ERP systems and decision making. He has worked as a financial analyst and as a consultant on ERP/accounting systems design and implementation.

**Janet Huston** is coming on board as a clinical assistant professor. Recently on the faculty at the University of South Florida, she earned her Ph.D. at Texas A&M University and teaches financial accounting. Her research interests include tax and financial reporting, specifically how firms respond to changes in tax law and accounting principles. She has professional experience with Deloitte & Touche.

**Ryan Huston** is one of the school’s new assistant professors. Also from the University of South Florida, he earned his Ph.D. from Texas A&M University and teaches both graduate and undergraduate tax courses. His research interests include how companies respond to changes in tax law and how companies manage earnings to meet financial reporting goals. He worked with both Arthur Andersen and KPMG in taxation prior to entering academia.

**Yinghua Li**, starting her W. P. Carey career as an associate professor, was formerly on the faculty at Purdue University and Baruch College. Yinghua’s major research interests include corporate governance, shareholder activism, shareholder litigation and corporate disclosure. Her research has been published in leading finance and accounting journals such as the Journal of Financial Economics and The Accounting Review. She earned her Ph.D. at the University of British Columbia.

**Eldar Maksymov**, hired as an assistant professor, came from Cornell University, where he completed his Ph.D. He teaches the principles of auditing course in the undergraduate program. Maksymov’s research examines factors that affect judgment of decision-makers in audit and audit litigation settings. Prior to beginning his university career, Eldar worked as an audit senior with Deloitte & Touche.

**Eric Rosano** started the fall semester as a lecturer. He currently teaches introductory accounting. Most recently, Rosano worked as a tax accountant for EY in their financial services office in Philadelphia. He earned his Master of Science in Taxation from the W. P. Carey School of Business. Before starting the master’s program, he served for over six years in the United States Army, retiring at the rank of sergeant.

**Melissa Samuelson**, a new clinical assistant professor, taught most recently at the Thunderbird School of Global Management. She teaches ethics in the undergraduate program. Her global experience informs her research interests in corruption and the ability of nonprofits to balance social and financial sustainability in emerging economies. She earned her Ph.D. from the University of Nebraska—Lincoln and has a graduate degree in economic development from the University of Melbourne. Prior to her academic career, she consulted with various nonprofit organizations, including the Afghanistan Relief Organization (Kabul) and the Ray of Hope Society (Kathmandu, Nepal).

STARTING DOWN THE PH.D. PATH

This fall, three new students began their doctoral studies at the School of Accountancy. They include:

- **Bing Chen** received his bachelor’s degree from Shandong University in China and his master’s degree from the University of Michigan.

- **Erin Jordan** received bachelor’s degrees in biology and mathematics from Claremont McKenna College and her MBA from the W. P. Carey School. She has worked more than five years across various functions in the pharmaceutical industry.

- **Wei Zhang** received her bachelor of arts and bachelor of business administration degrees from Nanchang University in China. She also earned her master’s degree in accountancy from Queens College, City University of New York, where she was the recipient of the Graduate Distinguished Scholar Award. She worked for six years as a corporate accountant in New York.
TOP TEACHERS

Three School of Accountancy faculty members and a graduate assistant were among W. P. Carey teachers and students honored for their work at awards ceremonies this spring.

Don Goldman received the John W. Teets Outstanding Graduate Teaching Award. Goldman, who joined the school as a professor of practice in 2001 after more than 25 years at Deloitte & Touche, has taught a variety of courses in the masters of taxation program. To quote one of his students: “I see the world differently having gone through his courses. I feel I have the foundation I need as an early-career professional to succeed and thrive in the workplace.”

Mark Licandro received the John W. Teets Outstanding Undergraduate Teaching Assistant Award. Licandro made a deep impression on his students. One student said “his guidance and knowledge make me feel confident in my decision to be a part of the business school.” Another commented “he knows and sees potential in every one of us, and wants to talk to us about where we see ourselves in the future.”

Senior Lecturer Nancy Cassidy and Clinical Assistant Professor Steven Orpurt are recipients of the 2014 Scott and Mary Donaldson Excellence in Teaching Awards. The awards are named for graduate Scott Donaldson (B.S. Accountancy ’80 and M.S. Accountancy ’81), a senior EY tax partner in Phoenix and his wife, Mary (B.S. Computer Information Systems ’83). The Donaldsons donate $10,000 a year for the awards — $5,000 each for a graduate and undergraduate teacher.

WHERE ARE THEY NOW?
The School of Accountancy has launched thousands of successful careers in companies and communities across the country and the world. We often hear when someone from our community advances or retires, but not often enough! Here are a few updates from graduates and one from a professor who may have impacted your life.

Bruce K. Behn (Ph.D. 1994) is president-elect of the American Accounting Association and will become president of the association in August 2015. Behn is the associate dean for graduate and executive education, Deloitte LLP professor and CBER faculty fellow at the University of Tennessee.

Eric S. Lewis (B.S. Accountancy and Finance ’00) is an assurance services partner with EY in Phoenix. Lewis started his career after graduation at Arthur Anderson and joined EY in 2002. He was named a partner in 2013.

Emeritus Professor Pat McKenzie and his wife, Sheila, have lived in Pagosa Springs, Colorado, since he retired from ASU in 1997. McKenzie has been a visiting professor at Fort Lewis College in Durango and at the University of Nevada, Las Vegas and he taught briefly in the Republic of Macedonia and Finland. He was ordained a deacon in the Catholic Church in 2005.

Please tell us about the developments in your career by emailing Editor Liz Farguhar at liz.farguhar@asu.edu. Also see W. P. Carey Magazine for a full list of Class Notes.

WHAT STUDENTS NEED TO KNOW:
Advisory board helps develop programs

The Professional Advisory Board (PAB) provides the School of Accountancy with an inside perspective on the issues facing accounting practice today. This year, the board is focusing on data analytics and globalization, helping identify what the school can be doing to prepare students in these areas.

Organizations are using analytics to mine vast amounts of data to make better management decisions and to understand the economics and societies in which they function. In accounting, data analytics affects the manner in which information systems are organized and audited.

The PAB is helping the school determine specific skills students need in this new environment and how to modify the program in response. Data analytics will impact courses throughout the program, but computer information systems and accounting information systems offerings will be affected most. Globalization is transforming world views, culture and business itself, including accounting. How can we better prepare students to interact in an increasingly connected world?

Two national leaders in the accounting field have joined the PAB, bringing us great knowledge of the skills needed by our graduates, including those in data analytics and globalization.

Ken Bouyer is the Americas director of inclusiveness recruiting in the EY Assurance Practice. He also serves on the American Institute of Certified Public Accountants (AICPA) minority initiatives committee, is a board member and chairman of the American Accounting Association Audit Committee and serves on the American Accounting Association/AICPA Pathways Commission.

Blane Ruschak works out of the Montvale, New Jersey national office as part of KPMG’s National Human Resource team. Heavily involved in campus recruiting throughout his career, he has been the executive director for campus recruiting and university relations since 2008. He is the current president of Beta Alpha Psi Professional Partners and serves on the Educational Foundation for the Women in Accounting board. In the past he has served on the AICPA Pre-certification Executive Education Committee, the Accounting Program Leadership Group Board of Directors and the board of the Federation of Schools of Accountancy.
Would requiring use of International Financial Reporting Standards (IFRS) in the U.S. be a boon for investors and businesses in this country? Probably not, says Assistant Professor of Accountancy Maria Wieczynska.

Wieczynska studied how mandatory use of IFRS impacted the business community in five European countries. According to her, the switch can pay off well for big global accounting firms, but not necessarily for companies.

“U.S. standards are generally more rules-based. They’re very prescriptive,” explains Wieczynska. The stringent regulatory environment in the U.S. and the litigious character of market players drive the approach, she said. “People get sued often, and so do businesses. In order to defend themselves, businesses need to have rules in place that they followed so they can say: this is what we did and this is why we did it.”

But, Wieczynska notes, international standards are more principles-based. “What that means is there’s a lot more room for judgment,” she says. “Things are not as clear-cut. Auditors and managers have to decide how to apply the standards.” Would a manager’s or auditor’s interpretation of the rules be considered appropriate by a U.S. regulator or judge? Maybe not, she says.

And, a few of the IFRS rules might make U.S. companies balk, she says. One is the way companies can account for the costs of their inventory. Internationally, organizations must measure the cost of inventory according to its actual cost or average cost. In the U.S., companies can use the most recent cost of inventory purchased (the “last-in first-out” method), even if that price is higher than what the firm paid for the exact inventory items being sold. That shrinks profit on the books, as well as tax liability.

“Companies use this rule to save billions,” Wieczynska notes. “It doesn’t make economic sense for a tax authority, and international standards don’t allow it.”

When SEC officials first published a roadmap for IFRS adoption in the U.S., officials said the move was designed to help investors compare corporate financial information more easily. The 2008 roadmap called for some U.S. companies to start using the

“IF OTHER COUNTRIES ARE NOT ADOPTING IFRS FULLY, WHY SHOULD WE?”

Maria Wieczynska

ETHICS: LEARNING HOW TO SPEAK UP AND ACT

Everyone has a moral compass, the set of values that guides decisions and behaviors, but not everyone can articulate what those values are and where they came from. That’s when a moral compass becomes a gut feeling, which is easy to dismiss when under pressure. But, after accountancy majors finish Assistant Clinical Professor Melissa Samuelson’s new course, “Ethics for Professional Accountants 1,” they will better understand their personal value set and how to apply those values when confronted with an ethical issue on the job.

Samuelson’s course is a requirement for incoming freshmen this year. Students in the Master of Accountancy program are required to take “Ethics for Professional Accountants 2,” taught by Professor Emeritus Marianne Jennings. The Uniform Accountancy Act requires ethics as part of the educational preparations for CPA licensure. Many states do not adopt all of the UAA requirements, but some, such as California, go beyond. School of Accountancy programs are consistent with the education requirements of most, if not all, states and with the Uniform Accountancy Act.

“Ethics for Professional Accountants 1” is designed to develop practical skills that students can use as they prepare for the CPA exam and start careers. The first step is reflection, Samuelson said. Students are prompted to think about the values instilled in them by their families, the worldview resulting from that upbringing and the actions that grow out of it all.

Students complete an ethical lens inventory that helps them understand their ethical framework. Then, using past experiences, students examine when and why they voiced their values. Through role playing, they experience that inevitable decision point, and case studies provide an opportunity to think about ethics in the context of different cultures.

The idea is to form a thoughtful foundation that students can draw upon to make good decisions in stressful situations. “When faced with a values question, students will know how to use what they know about themselves to speak up,” Samuelson said.
RESEARCH LEADERS: PUBLICATIONS

Research uncovers insights that guide the practice of accounting and opens up new avenues of inquiry. Faculty in the School of Accountancy are among the leading investigators in the discipline, and their findings are published in top peer-reviewed journals. Here are their recent publications.


international standards as early as 2014. The SEC has since cooled on the idea of IFRS adoption, and even convergence of IFRS and US GAAP.

Similarly, Wieczynska found that four years after the EU mandated adoption, nearly 18 percent of the European companies weren’t using the international standards. Nonetheless, some 42 percent of those nonadopters presented consolidated financial statements, which was one of the conditions requiring IFRS use according to the EU mandate.

“If other countries are not adopting IFRS fully, why should we?” Wieczynska asks. Even more important, she questions the appropriateness of international standards for U.S. companies. “The way that capital markets evolve over time reflects the culture and institutions in a country,” She says. “Our standards have grown up over many decades in the U.S., reflecting our legal environment, our regulations and our investors’ needs. While these other standards have been created with the nice idea of one-size-fits-all, it’s not necessarily the case on a global scale.”

Finally, Wieczynska wonders if U.S. investors actually would be better off with a switch to international accounting standards. She notes the U.S. is the world’s largest capital market, and investors “would have to learn how interpret these standards” if the U.S. adopted them. Auditors and accountants would face a learning curve, too. “There’s a cost involved in switching,” she says.

For more research, see research.wpcarey.asu.edu
MEASURING QUALITY: SCHOOL OF ACCOUNTANCY EARN HIGH GRADES
The Association to Advance Collegiate Schools of Business has extended the School of Accountancy’s accreditation for another six years, concurrent with the re-accreditation of the W. P. Carey School of Business. The extensions were granted based on an intense review process that included a campus visit in February by four highly credentialed academic leaders from peer institutions.

Director Philip Reckers said that only 170 schools in the nation qualify for both business and accounting accreditation.

“Faculty and administrators at these institutions are genuinely committed to continuous improvement and strive for excellence in everything they do,” Reckers said. “You always learn something from these reviews, about your programs or about new initiatives at other peer schools that have been successful. The process can at times be intense, but the benefits are abundant. Accordingly, accreditation by the AACSB is meaningful and informative to the public.”

DELIOITTE’S PUNIT RENJEN DESCRIBES CULTURE OF EXCEPTIONALISM
Punit Renjen, chairman of Deloitte LLP, helped lead the firm’s exceptional performance through one of the worst recessions in recent history. In a speech before the Economic Club of Phoenix, Renjen described what differentiates the firm: its culture. Listen to the speech at wpcarey.asu.edu/deloitte

EVENT: BACK TO CLASS
The W. P. Carey School has launched a new professional development program for alumni. “Back to Class” is an opportunity for alumni to return to campus to network and attend a lecture in McCord Hall. Professor of Practice Don Goldman taught one of three classes at the inaugural event in March. His topic was tax reform in the current political environment. Among the alumni in his class were Scott Donaldson (M.S. Accountancy ’81), Jennifer Askew (M.S. Taxation ’06) and June Goudreau (M.S. Taxation ’13).

“Back to Class is being offered again on November 12. For registration, go to wpcarey.asu.edu/alumni and click on “attend an event.”

SCHOLARSHIPS
The Institute of Internal Auditors Phoenix Chapter has awarded scholarships to Master of Accountancy students Sean Sehorn and Blanca Cons Baron. The chapter explained that “the objective of the scholarship program is to expose our ‘secret’ and spread the word to students about unprecedented demand for internal auditors. We recognize the excellence in education that W. P. Carey’s School of Business and Accountancy programs deliver.”

ALUMNI PROFILE IN W. P. CAREY MAGAZINE
Bill Trefethen, founder and managing partner of Trefethen Advisors, says his accounting degree from the W. P. Carey School of Business and his time spent in the Big Six consulting firms in Los Angeles formed the foundation for his successful career. Read more online at wpcarey.asu.edu/trefethen