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## Are We Ready for the Changes in U.S. Accounting Standards? Some Evidence of Midwestern Universities Curriculum

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### Abstract

The Financial Accounting Standards Board (FASB) has been working with the International Accounting Standard Board (IASB) on the reformation of the current U.S. accounting standards and the adoption of the concepts of the International Financial Reporting Standards (IFRS) in the U.S. The contents of IFRS have been included in the CPA exam beginning in 2011. The purpose of this study is to investigate whether business schools located in the Midwestern United States are ready for the transition. We find that most of the schools surveyed do not currently offer international accounting course as of spring 2011, either as a required or an elective. We are concerned about whether educators and students in the Midwest are ready for the change. We urge accounting educators to accelerate the integration of IFRS to their accounting curriculum. At the same time, given the resource constraints, it is time for the regulators to seriously consider postponing the deadlines.

**Keywords:** the International Accounting Standard Board (IASB), the Financial Accounting Standard Board (FASB), the International Financial Reporting Standards (IFRS), integration of IFRS to U.S. accounting teaching.

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### I. INTRODUCTION

The business scandals of the early 2000s call into question whether rules-based accounting or principles-based accounting is more appropriate. Those who advocate principles-based accounting believe that the rules-based accounting standards in the U.S. may be responsible for business scandals in the beginning of this century (Maines et al., 2003). One of the major criticisms of current U.S. accounting standards is that U.S. accounting standards provide so many detailed directions (i.e., “bright lines”) that managers may use them to structure favorable accounting treatment. Furthermore, it is difficult for auditors to challenge management’s accounting treatment when detailed rules serve as that management’s justification (Maines et al., 2003). Nelson et al. (2002) find that auditors are reluctant to argue “substance over form” when the clients clearly comply with precise accounting criteria. Rules-based accounting makes auditors’ professional judgment unnecessary and weakens the oversight role of corporate governance. Rules-based accounting also leads management to follow the letter of the law rather than the spirit of an accounting standard. Therefore, many

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stakeholders, such as accounting researchers, the American Institute of Certified Public Accountants (AICPA), public companies, state Certified Public Accountants (CPA) societies, and international and multinational accounting firms believe that it is time to reform the current U.S. Generally Accepted Accounting Principles (GAAP) and make them more principles-based (Derstine & Bremser, 2010).

International Financial Reporting Standards (IFRS) are thought to be more principles-based than GAAP. Opponents of the adoption of IFRS in the U.S. argue that no solid evidence exists to support the merits of principles-based accounting over rules-based accounting (Cuccia et al., 1995; Nelson et al., 2002; Nelson, 2003). These opponents claim that the complexity and volume of U.S. GAAP (17,500 pages) as compared to the IFRS (2,500 pages) is due to the much longer history of U.S. GAAP. These opponents also argue that after a few more years of developing guidance to implement principles-based IFRS, it may become as complex and detailed as U.S. standards. Another problem with IFRS is that countries adopt their own version of IFRS. Thus, IFRS is not effective in terms of reducing inconsistent reporting practices across companies and political boundaries (Derstine & Bremser, 2010).

The Security and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB) believe that there is a demand for global accounting standards driven by investors' desire for internationally comparable financial information. However, the SEC cannot simply "throw away" the current U.S. accounting standards and replace them with IFRS. Like many other researchers, we believe that the SEC is taking a prudently cautious approach to the challenge of changing standards and the incorporation of IFRS into the U.S. financial reporting system. The FASB and the IASB have been working together toward convergence since 2002 (Derstine & Bremser, 2010). As stated on the Web site of the FASB, "the main way that the FASB and IASB collaborate is through joint projects to develop common standards." The FASB issues the common standards as U.S. GAAP and the IASB issues them as IFRS. The two sets of accounting standards aim to produce high-quality and internationally comparable accounting information (FASB, 2011).

In November 2008, the SEC issued a roadmap for integrating U.S. Financial Accounting Standards (FASB) into International Financial Reporting Standards (IFRS). Its goal was to lay the groundwork to shift from U.S. GAAP to IFRS in the next six years (PWC, 2011). In February 2010, the SEC released the following key areas of considerations: (Is it right? They are not six points or bullets below?)

1. Develop and apply IFRS in the U.S. domestic reporting system;
2. Address the independence of standard setting;
3. Take actions to educate investors and make them understand IFRS. Examine the influence of the change in accounting standards to the U.S. regulatory environment;
4. Examine the impact of changes in accounting standards on accounting systems, in contractual arrangements, corporate governance considerations, and accounting for litigation contingencies;
5. Examine the readiness of human capital to the changes in accounting standards and also explore ways to motivate people to get ready for the change (PWC, 2011, p. 1).

In April 2011, FASB and IASB released a joint progress report concerning the convergence of U.S. GAAP and IFRS. FASB and IASB had completed five important projects, but did not complete projects on revenue recognition, leasing and financial instruments. FASB and IASB have prioritized these three remaining projects (FASB, 2011). The SEC made a commitment to incorporation of IFRS into the U.S.

domestic reporting system; the first time U.S. issuers would report under that system would be approximately in year 2015 or 2016 (PWC, 2011). As of July 2012, the SEC staff issued its final report regarding the work plan for the consideration of incorporating IFRS into the financial reporting systems for U.S. issuers. In the work plan, the SEC Staff indicated that additional analysis is necessary before any SEC decision is made and the timing is currently unknown, but may extend beyond 2012. Implementation dates may still be revised thereafter, which may depend upon the readiness of accounting standards and the accounting profession.

Responding to the reform in the current U.S. accounting standards, the AICPA gradually included questions about IFRS on the CPA examination since January 2011 (Hargadon & Fuller, 2010). This change in the CPA exam concerns many accounting students as they fear they are not well prepared for these topics. One of the purposes of adding IFRS to the CPA exam is likely to push accounting educators to include IFRS in their teaching activities. Although it is a good intent but in terms of the readiness from the entire U.S. accounting society, there may be some different voices to be heard. In response to the change, we are exploring these research questions: Are accounting educators in the U.S. prepared to teach IFRS? Are current accounting students being well educated while they are in school?

KPMG and the American Accounting Association did a survey in 2009 on the current status of IFRS education in universities in the U.S. They found that only 39% of accounting professors believed their most recent accounting graduates have a substantial knowledge of IFRS. Why doesn't academia integrate IFRS more quickly and in-depth? One reason is that accounting professors do not have adequate time to cover the U.S. GAAP and the IFRS in their principles and intermediate financial accounting courses (Derstine & Bremser, 2010). Besides incorporating the IFRS into financial accounting curriculum, the IFRS concepts can also be taught in an international accounting course. Since most accounting professors do not cover the contents of IFRS in financial accounting principles and intermediate accounting I and II, one possible way for covering IFRS is including the concepts of IFRS as the major portion of the international accounting course. In this study, we have collected information from 283 four-year universities and two-year colleges located in the Midwest area of the U.S. about their international accounting coverage. We use this sample to explore whether accounting educators are ready for the change in the current U.S. accounting system. Whether offering an international accounting course cannot fully capture the readiness of the U.S. universities to the changes in accounting standards, we argue that this measurement at least partially portrays the current status of these schools. We also conduct in-depth interviews with current accounting faculty to explore potential alternative delivery methods and the feedback from accounting faculty. Our results indicate that 21.6% of the schools in the Midwest do offer an international accounting course. In particular, those that are private, without business accreditation and without graduate programs are least likely to have an international accounting course. The overall adoption rates have been quite low, range from 5.6% to 28.9%. Our results indicate that accounting educators and students in the Midwest are not ready for the convergence of U.S. GAAP and IFRS. This study reveals an aspect of the degree of academic readiness in educating for IFRS, such as accounting educators and practicing professionals. In a supplemental interview, we find that none of the schools we interviewed effectively incorporated IFRS into their intermediate accounting courses due to the concern that introducing a dual system may confuse students. Faculty

members indicated that they hope to have a separate international accounting course to pick up the IFRS content.

We believe this study has made the following contributions. First, we provide a reality check for the current accounting educational system. Our study provides timely information to both the academy and the regulators. Second, the results suggest that the SEC may need to extend the deadline of the adoption of IFRS in the U.S. Third, the results also call to immediate attention of educational institutions to accelerate their integration of IFRS in the accounting curriculum and teaching. Finally, this study is of interest to accounting students and practicing professionals and others who are concerned with the progress of IFRS and U.S. GAAP convergence. Based on the feedback from accounting faculty members, we propose that university curriculum consider adding the concepts of IFRS into the curriculum as meeting the demand on accounting standards change.

## **II. METHODOLOGY**

We define “Midwest” by following the American Accounting Association’s (AAA) definition. The Midwest includes the nine states of Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, Nebraska, South Dakota, and Wisconsin. The sampled universities are listed in the Accounting Faculty Directory 2009-2010 (Hasselback, 2010) for each specific state. We collected the international accounting curriculum information of all four-year and two-year institutions in this area via the website of each school and via telephone conversions with the accounting department staff if the required data was unavailable online. We collected data on the following:

1. Whether an international accounting course is offered.
2. Whether an international accounting course is offered as a required course or as an elective.
3. The current accreditation status.
4. Ownership (private vs. public) of the university/college.
5. The highest accounting degree offered by the university/college.

In total, our sample contained information for 238 Midwest universities and colleges. A summary of the information is presented in Tables 1 through 5. The list of the investigated universities and colleges is presented in an Appendix 1 at the end of this study.

## **III. RESULTS/FINDINGS**

Table 1 lists the demographic information of the schools surveyed. The descriptive analysis of the data shows that the sample contains 283 educational institutions. These institutions are concentrated in four high population-density states: Illinois, Indiana, Michigan and Missouri. These four states contain 55% of the schools being surveyed. Table 2 presents which universities offer a Master’s and/or a PhD Degree by state. In the sample of the 283 schools, 95 (34%) institutions grant a Master of Accountancy degree. The distribution of master’s degree granting institutions is heavily concentrated in four states: Illinois, Indiana, Michigan and Missouri, with each state representing from 10% to 23% of the total schools granting master degree. Among these 95 master's degree granting institutions, we identify 12 institutions that grant a PhD in Accountancy. The PhD granting institutions are concentrated in the states of Illinois, Indiana and Michigan, with each representing between 16% and 25% of total such institutions.

**Table 1**  
**Demographic Information of Universities**

| State        | Number of Universities | Percentage of Total Sample |
|--------------|------------------------|----------------------------|
| Iowa         | 26                     | 9.2%                       |
| Illinois     | 43                     | 15.2%                      |
| Indiana      | 37                     | 13.1%                      |
| Kansas       | 18                     | 6.4%                       |
| Michigan     | 38                     | 13.4%                      |
| Minnesota    | 25                     | 8.8%                       |
| Missouri     | 38                     | 13.4%                      |
| North Dakota | 8                      | 2.8%                       |
| Nebraska     | 17                     | 6.0%                       |
| South Dakota | 10                     | 3.5%                       |
| Wisconsin    | 23                     | 8.1%                       |
| <b>Total</b> | <b>283</b>             | <b>100.0%</b>              |

**Table 2**  
**Universities Offering Master's and PhD Degrees**

| State        | Master's Degree | PhD Degree | Percentage of Granting Master's Degree | Percentage of Granting PhD's Degree |
|--------------|-----------------|------------|--|-------------------------------------|
| Iowa         | 6               | 1          | 6.3%                                   | 8.3%                                |
| Illinois     | 22              | 3          | 23.2%                                  | 25.0%                               |
| Indiana      | 10              | 2          | 10.5%                                  | 16.7%                               |
| Kansas       | 6               | 1          | 6.3%                                   | 8.3%                                |
| Michigan     | 16              | 2          | 16.8%                                  | 16.7%                               |
| Minnesota    | 5               | 0          | 5.3%                                   | 0.0%                                |
| Missouri     | 16              | 1          | 16.8%                                  | 8.3%                                |
| North Dakota | 3               | 0          | 3.2%                                   | 0.0%                                |
| Nebraska     | 5               | 1          | 5.3%                                   | 8.3%                                |
| South Dakota | 1               | 0          | 1.1%                                   | 0.0%                                |
| Wisconsin    | 5               | 1          | 5.3%                                   | 8.3%                                |
| <b>Total</b> | <b>95</b>       | <b>12</b>  | <b>100.0%</b>                          | <b>100.0%</b>                       |

Table 3 shows information about universities offering international accounting in the Midwestern region. We compute the adoption rate for each state using the number of schools that offer an international accounting course divided by the number of overall sample size in that state. Overall, we find that only 61 (26%) of 238 schools offer an official international accounting course. Schools with a higher rate of offering international accounting courses are concentrated in six states: Illinois (25.6%), Indiana (24.3%), Michigan (28.9%), Minnesota (28.9%), Missouri (26.3%), and Wisconsin (21.7%). Schools in these six states represent a total of 87.9% of schools we investigated. We also learn that four of these six states are coincidentally the ones with higher rate of master or PhD program schools we investigated. Schools with a lower rate of offering international accounting courses are concentrated in five states: Iowa (11.5%), Kansas (5.6%), North Dakota (12.5%), South Dakota (10%), and Nebraska (3.3%). Schools in these five states represent a total of 12.1% of schools we investigated. All the above information has suggested that the rate of offering

international accounting course is low and is geographically heterogeneous. More than half of the states have done a better job incorporating IFRS into the accounting curriculum than the other half of states. With only a few years to go until the full adoption of IFRS, the most advanced schools still have less than a 30% adoption rate by 2011. Many schools are still at the initial development stage where adoption rates are below 10%. Overall, we are concerned about whether U.S. accounting educators and students in the Midwest are ready for IFRS by 2015.

**Table 3****Analysis of International Accounting Course Offering**

| State        | Elective  | Required | Not Sure<br>Whether<br>Elective or<br>Required | Total     | Percentage<br>of Total<br>Offerings | Adoption<br>Rate by<br>State* |
|--------------|-----------|----------|--|-----------|-------------------------------------|-------------------------------|
| Iowa         | 2         | 0        | 1  | 3         | 4.9%                                | 11.5%                         |
| Illinois     | 8         | 3        | 0  | 11        | 18.0%                               | 25.6%                         |
| Indiana      | 5         | 1        | 3  | 9         | 14.8%                               | 24.3%                         |
| Kansas       | 1         | 0        | 0  | 1         | 1.6%                                | 5.6%                          |
| Michigan     | 6         | 0        | 5  | 11        | 18.0%                               | 28.9%                         |
| Minnesota    | 7         | 0        | 0  | 7         | 11.5%                               | 28.0%                         |
| Missouri     | 7         | 1        | 2  | 10        | 16.4%                               | 26.3%                         |
| North Dakota | 0         | 0        | 1  | 1         | 1.6%                                | 12.5%                         |
| Nebraska     | 2         | 0        | 0  | 2         | 3.3%                                | 11.8%                         |
| South Dakota | 1         | 0        | 0  | 1         | 1.6%                                | 10.0%                         |
| Wisconsin    | 5         | 0        | 0  | 5         | 8.2%                                | 21.7%                         |
| <b>Total</b> | <b>44</b> | <b>5</b> | <b>12</b>                                      | <b>61</b> | <b>100.0%</b>                       | <b>21.6%</b>                  |

\* Adoption rate= the number of schools offering international accounting course/the number of schools in the sample.

Table 4 is a further cross-tabulated analysis of ownership, accreditation and highest degree offered and the offering of international accounting. Table 5 consists of three panels. Panel A of the cross-tabulated results shows that in the Midwestern region, 32.4% of the public schools and 14.9% of the private schools have offered an international accounting course. These results indicate that public institutions are better prepared than private institutions in terms of establishing an official international accounting course to incorporate IFRS into the curriculum.

The results in panel B show the international accounting course offering data across different business accredited universities. Business accreditation represents the quality of a business school. Among the 283 universities we investigated, 158 (66%) have business accreditation, but only 52 (34%) of them have offered an international accounting course. Among all types of business accreditations, AACSB (The Association to Advance Collegiate Schools of Business) “represents the highest standard of achievement in teaching and research for business schools worldwide”. “Being AACSB-accredited means a business school is able to continuously pass a strict set of standards that ensure quality” (AACSB, 2011). Among the 84 AACSB accredited universities/colleges, only 37 schools (44%) have offered an official international accounting course. The above data analysis indicates that most quality business schools in the Midwest do not offer international accounting in their curriculum. For the 125 non-business accredited universities/colleges, the majority (94%) do not offer an international accounting course. In summary, in the Midwest, most business accredited universities/colleges and the majority of non-business-accredited universities/colleges do not offer an international accounting course.

The results in panel C suggest that graduate-degree-granting institutions (at either the Master's or the PhD level) have made better progress than non-graduate-degree-granting institutions. For graduate-degree-granting schools, about 42% of them have established an international accounting course. For non-graduate-degree-granting schools, only 11% are offering an international accounting course. Our findings indicate that graduate-degree granting institutions may be more prepared than non-graduate-degree granting schools for the convergence of the U.S. GAAP and the IFRS.

Table 4

**Summary of the Analysis of Institutions Offering an International Accounting Course by Ownership, Accreditation and Degree Granting**

| <b>Panel A</b>                                 |                         |                    |                     |              |
|--|-------------------------|--------------------|---------------------|--------------|
| <b>International Accounting Course Offered</b> |                         |                    |                     |              |
|  |                         | <b>Yes</b>         | <b>No</b>           | <b>Total</b> |
| <b>Ownership</b>                               | <b>Public</b>           | 35 (32.41%)        | 73(67.59%)          | 108          |
|  | <b>Private</b>          | 26 (14.86%)        | 149 (85.14%)        | 175          |
|  | <b>Total</b>            | <b>61 (21.55%)</b> | <b>222(78.45%)</b>  | <b>283</b>   |
| <b>Panel B</b>                                 |                         |                    |                     |              |
| <b>International Accounting Course Offered</b> |                         |                    |                     |              |
|  |                         | <b>Yes</b>         | <b>No</b>           | <b>Total</b> |
| <b>Accreditation</b>                           | <b>AACSB</b>            | 37                 | 47                  | 84           |
|  | <b>ACBSP</b>            | 8                  | 24                  | 32           |
|  | <b>IACBE</b>            | 6                  | 31                  | 37           |
|  | <b>PMI Global</b>       | 1                  | 0                   | 1            |
|  | <b>AACSB+ NASPAA</b>    | 0                  | 1                   | 1            |
|  | <b>IACBE+ACBSP</b>      | 1                  | 1                   | 2            |
|  | <b>ACICS</b>            | 0                  | 1                   | 1            |
|  | <b>No Accreditation</b> | 8                  | 117                 | 125          |
|  | <b>Total</b>            | <b>61</b>          | <b>222</b>          | <b>283</b>   |
| <b>Panel C</b>                                 |                         |                    |                     |              |
| <b>International Accounting Course Offered</b> |                         |                    |                     |              |
|  |                         | <b>Yes</b>         | <b>No</b>           | <b>Total</b> |
| <b>Masters/PhD Degree Offered</b>              | <b>Yes</b>              | 40 (42.11%)        | 55 (57.89%)         | 95           |
|  | <b>No</b>               | 21 (11.17%)        | 167 (88.83%)        | 188          |
|  | <b>Total</b>            | <b>61 (21.55%)</b> | <b>222 (78.45%)</b> | <b>283</b>   |

\* The school accreditations are abbreviated for:

AACSB: Association to Advance Collegiate Schools of Business.

ACBSP: Accreditation Council for Business Schools and Programs.

IACBE: International Assembly for Collegiate Business Education.

PMI Global: Project Management Institute Global.

NASPAA: National Association of Schools of Public Affairs and Administration.

ACICS: Accrediting Council for Independent Colleges and Schools.

Table 5 states the analysis of a Chi-Square test result of international accounting course offering by above discussed factors of ownership, accreditation, and accounting degree granting of the institutions. The Chi-Square test is chosen for the use of categorical data, while our categories are mutually exclusive, to test the independence with non-parametric nature. The test result reports that, in general, whether the offering of international accounting course is dependent upon the factors which consists ownership of the institutions, accreditation(s) of the institutions, and accounting degree granting of the institutions. We learn in Table 5 that our Chi-Square values are 11.854,

42.146 and 35.718, respectively, and they are all statistically significant at the 1% level. That indicates that whether the higher institution offers an international accounting course is different between public and private schools (i.e. AACSB accredited or non-accredited schools, and graduate degree granting or non-graduate degree granting schools). Note that our test result still holds provided that we categorize various types of business accreditations results.

**Table 5**

**Summary of the Chi-Square Analysis of Institutions Offers an International Accounting Course by Ownership, Accreditation, and Degree Granting**

| Variables         | Ownership<br>(public/<br>private) | Accreditation_1 <sup>a</sup><br>(any accredit/<br>non-accredit) | Accreditation_2 <sup>b</sup><br>(AACSB/<br>non-accredit) | Accreditation_3 <sup>c</sup><br>(AACSB/other<br>accredit/not<br>accredit) | Program<br>(graduate/<br>non-<br>graduate) |
|-------------------|-----------------------------------|---|--|---|--|
| <b>Chi-Square</b> | 11.854                            | 30.411  | 42.146   | 42.112  | 35.718                                     |
| <b>D. f.</b>      | 1                                 | 1   | 1  | 2   | 1  |
| <b>Sig.</b>       | 0.0005***                         | 0.0000***   | 0.0000***  | 0.0000***   | 0.0000***                                  |

Significant level is based on the p-value of one-tailed in corresponding Chi-Square test.

\*\*\* Indicates significant at the 1% level, and \*\* Indicates significant at the 5% level.

- Accreditation\_1: this factor is for sample institutions offering an international accounting with (1) any accreditation (include AACSB, ACBSP, IACBE, PMI Global, NASPAA, IACBE, ACICS) to compare (2) those without any accreditation. Please see Table 4 for the detail of abbreviations.
- Accreditation\_2: this factor is for sample institutions offering an international accounting with (1) only AACBS accreditation, to compare (2) those without any business accreditation.
- Accreditation\_3: this factor is sample institutions offering an international accounting with (1) AACBS accreditation, to compare (2) those with other business accreditation except AACSB, and (3) those without any business accreditation.

#### IV. ADDITIONAL INTERVIEW

Universities may use alternative methods to address the need of IFRS by adding significant amount of IFRS content to existing financial accounting courses. For example, major textbooks have made great strides towards including IFRS in a meaningful way. To examine this possible alternative method, we conducted interviews of faculty who teach financial accounting courses such as intermediate accounting. During the American Accounting Association Annual Meeting in year 2012, we interviewed randomly eight faculty members who are teaching the intermediate accounting course in eight different public or private AACSB accredited universities across the country. The major questions asked during the interview are: (1) Do you cover IFRS concepts and standards besides U.S. GAAP in your intermediate accounting course? (2) If you do, how much information of IFRS is covered in terms of percentage? (3) If you do not, does your school offer an additional course (e.g. intermediate accounting III or international accounting) in which IFRS is covered? The interview results indicate that all the eight intermediate accounting instructors do not cover significant amount of IFRS concepts in their intermediate accounting course. The major reason for not covering too much IFRS concepts in their intermediate accounting class is their worries about making students confused when U.S. GAAP is covered in the class. They indicated that when students are introduced to learn U.S. GAAP knowledge for the first time, they have a lot to absorb. Adding IFRS from a different perspective may cause information overload and confusions. Based on such arguments, most of these schools offer an international accounting course that is supposed to cover the concepts of IFRS. But they really do not know about how much

IFRS concepts and knowledge have been covered in the international accounting course. The interview results suggest that even though major financial accounting textbooks have been trying to incorporate updates on the IFRS content, faculty members decide not to teach the added content with the obstacle reason as the concern of confusion. Our interview results, to some extent, reflect the challenges of teaching IFRS faced by accounting faculty in the reality. Also, it may be helpful if the accounting program evaluate the curriculum holistically and coordinate the content coverage among different courses.

## **V. DISCUSSION AND CONCLUSION**

In summary, the results of the study show that a majority of the schools in the Midwest have not offered an international accounting course by the middle of year 2011. Although public schools are more advanced than private schools in integrating IFRS into their curriculum, the overall adoption rates have been quite low. We argue that based on the current progress, by 2015, when IFRS are expected to be put into practice, the U.S. accounting programs may not be ready for the change. Accounting students will not be well prepared to start a career which requires knowledge of IFRS. The findings have the following implications. First, we urge accounting educators to take immediate action in the adoption of IFRS in accounting curriculum and teaching. The SEC and the FASB should exert effort to make accounting educators and students aware of the urgency of the integration and push them to take immediate attention and action. Second, as many universities argue, insufficient resources do not allow them to meet the goal on time. We acknowledge that understaffing of accounting faculty and university budget cuts are significant factors leading to the status quo. If accounting educational institutions are constrained by such resources, the problems will not be easily addressed in the short run. The implication for regulators is to consider in modifying the convergence timeline. Third, another argument made by accounting professors is a lack of support in updating knowledge of recent development of IFRS. As some of IFRS are dramatically different from U.S. GAAP, intensive training and support may be needed for many accounting educators. The American Accounting Association has taken a major role in delivering Continuing Professional Education (CPE) sessions and workshops on IFRS. We call for a continued effort to make such support available to as many accounting professors as possible.

Limitations exist in this study. First, some institutions in the Midwest may have incorporated the concepts of IFRS into their financial accounting course and thus, they do not need to offer an international accounting course. Some others may neither integrate IFRS into financial accounting courses nor offer an international accounting course. We do not make such a distinction among these schools. Future studies may survey accounting faculty to get more detailed information about whether and how the content of IFRS are covered in their classrooms. Second, our sample size is not big enough. This may limit the generalizability of results. Third, we do not differentiate between institutions by size. Generally, graduate-degree granting schools have bigger size of accounting programs and bigger educational and social influence than non-graduate-degree granting institutions. Further categorization of data may provide more insights. Despite various limitations, this study contributes to accounting academia and accounting regulators, and may be of interest to accounting educators, students, practicing professionals, and others who are concerned with the progress of IFRS and U.S. GAAP convergence.

Insert Appendix 1 here.

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**Appendix 1**

**List of Midwest Universities Investigated**

| State | College/University<br>(4yr Bachelor/<br>Master and above) | State | College/University<br>(4yr Bachelor/<br>Master and above)          |
|-------|---|-------|--|
| IA    | University of Northern Iowa                               | MI    | Hope College   |
| IA    | Drake University  | MI    | Kuyper College   |
| IA    | University of Iowa  | MI    | Marygrove College  |
| IA    | Ashford University  | MI    | Olivet College   |
| IA    | AIB College of Business                                   | MI    | Rochester College  |
| IA    | Briar Cliff University                                    | MI    | Siena Heights University   |
| IA    | Buena Vista University                                    | MI    | Spring Arbor University  |
| IA    | Central College   | MI    | Lake Superior State University                                     |
| IA    | Clarke College  | MI    | Baker College  |
| IA    | Coe College   | MI    | Oakland University   |
| IA    | Dordt College   | MI    | Saginaw Valley State University                                    |
| IA    | Graceland University                                      | MI    | Wayne State University   |
| IA    | Grand View College  | MI    | Eastern Michigan University  |
| IA    | Iowa Wesleyan College                                     | MI    | Grand Valley State University                                      |
| IA    | Loras College   | MI    | Walsh College of Accountancy and<br>Business Administration        |
| IA    | Luther College  | MI    | University of Michigan-Dearborn                                    |
| IA    | Morningside College                                       | MI    | Aquinas College  |
| IA    | Mount Mercy College                                       | MI    | Finlandia University   |
| IA    | Simpson College   | MI    | Madonna University   |
| IA    | University of Dubuque                                     | MI    | Northwood University   |
| IA    | Wartburg College  |       |  |
| IA    | William Penn University                                   | MN    | University of St Thomas  |
| IA    | Upper Iowa University                                     | MN    | Winona State University  |
| IA    | Iowa State University                                     | MN    | Concordia University-Saint Paul                                    |
| IA    | Saint Ambrose University                                  | MN    | Globe University   |
| IA    | Maharishi University of<br>Management                     | MN    | Bemidji State University   |
| IL    | University of Illinois At Springfield                     | MN    | Walden University  |
| IL    | Western Illinois University                               | MN    | Augsburg College   |
| IL    | Eastern Illinois University                               | MN    | College of Saint Benedict  |
| IL    | Northeastern Illinois University                          | MN    | Concordia College at Moorhead                                      |
| IL    | Southern Illinois University<br>Edwardsville              | MN    | Hamline University   |
| IL    | Southern Illinois University<br>Carbondale                | MN    | Herzing University   |
| IL    | University of Illinois At Urbana-<br>Champaign            | MN    | Northwestern College   |
| IL    | Dominican University                                      | MN    | The College of Saint Scholastica                                   |
| IL    | Millikin University                                       | MN    | Metropolitan State University                                      |
| IL    | Saint Xavier University                                   | MN    | Southwest Minnesota State<br>University                            |
| IL    | Trinity Christian College                                 | MN    | University of Minnesota-Crookston                                  |
| IL    | Chicago State University                                  | MN    | College of St Catherine (now known<br>as St. Catherine University) |
| IL    | Robert Morris College                                     | MN    | National American University<br>Campus                             |
|       |   | MN    | University of Minnesota-Twin Cities                                |

Continued from Appendix 1

| State | College/University<br>(4yr Bachelor/<br>Master and above) | State | College/University<br>(4yr Bachelor/<br>Master and above) |
|-------|---|-------|---|
| IL    | Rockford College  | MN    | DeVry University  |
| IL    | McKendree University                                      | MN    | Saint Cloud State University                              |
| IL    | Olivet Nazarene University                                | MN    | Minnesota State University-<br>Moorhead                   |
| IL    | North Central College                                     | MN    | Minnesota State University-Mankato                        |
| IL    | Benedictine University                                    | MN    | University of Minnesota-Duluth                            |
| IL    | Ellis University  | MN    | Saint Mary's University of<br>Minnesota                   |
| IL    | Aurora University   | MO    | Sanford-Brown College-Fenton                              |
| IL    | Blackburn College   | MO    | Truman State University                                   |
| IL    | Concordia University                                      | MO    | Drury University  |
| IL    | Eureka College  | MO    | Missouri Western State University                         |
| IL    | Greenville College  | MO    | Washington University in St Louis                         |
| IL    | MacMurray College   | MO    | University of Missouri-Kansas City                        |
| IL    | Midstate College  | MO    | Maryville University of Saint Louis                       |
| IL    | Monmouth College  | MO    | Southwest Baptist University                              |
| IL    | Park University   | MO    | Webster University  |
| IL    | Quincy University   | MO    | Northwest Missouri State University                       |
| IL    | Illinois Wesleyan University                              | MO    | Avila University  |
| IL    | University Of Chicago                                     | MO    | Culver-Stockton College                                   |
| IL    | Trinity International University                          | MO    | Stephens College  |
| IL    | Illinois State University                                 | MO    | Harris-Stowe State University                             |
| IL    | Lewis University  | MO    | National American University                              |
| IL    | Bradley University  | MO    | William Woods University                                  |
| IL    | Loyola University Chicago                                 | MO    | Central Methodist University                              |
| IL    | Northern Illinois University                              | MO    | College of the Ozarks                                     |
| IL    | Governors State University                                | MO    | Columbia College  |
| IL    | Roosevelt University                                      | MO    | Evangel University  |
| IL    | University Of Illinois At Chicago                         | MO    | Graceland University                                      |
| IL    | University Of St Francis                                  | MO    | Grantham University                                       |
| IL    | National-Louis University                                 | MO    | Hannibal-LaGrange College                                 |
| IL    | Augustana College   | MO    | Missouri Baptist University                               |
| IN    | University of Southern Indiana                            | MO    | Missouri Valley College                                   |
| IN    | Butler University   | MO    | Park University   |
| IN    | Indiana University-Purdue<br>University Indianapolis      | MO    | William Jewell College                                    |
| IN    | Indiana State University                                  | MO    | Westminster College                                       |
| IN    | Indiana University Kokomo                                 | MO    | University of Central Missouri                            |
| IN    | Indiana University-Purdue<br>University Fort Wayne        | MO    | University of Missouri-Columbia                           |
| IN    | Indiana University Bloomington                            | MO    | Missouri State University                                 |
| IN    | Anderson University                                       | MO    | Saint Louis University-Main<br>Campus                     |
| IN    | Taylor University   | MO    | University of Missouri-St Louis                           |
| IN    | Trine University  | MO    | Southeast Missouri State University                       |
| IN    | University of Indianapolis                                | MO    | Rockhurst University                                      |
| IN    | Indiana University East                                   | MO    | Lincoln University  |
| IN    | Purdue University-North Central                           | MO    | Lindenwood University                                     |
| IN    | Bethel College  | MO    | Missouri Southern State University                        |

Continued from Appendix 1

| State | College/University<br>(4yr Bachelor/<br>Master and above) | State | College/University<br>(4yr Bachelor/<br>Master and above) |
|-------|---|-------|---|
| IN    | Marian College  | ND    | North Dakota State University                             |
| IN    | Martin University   | ND    | University of Mary  |
| IN    | Oakland City University                                   | ND    | Jamestown College   |
| IN    | Saint Josephs College                                     | ND    | Minot State University                                    |
| IN    | Calumet College of St. Joseph                             | ND    | Park University   |
| IN    | Franklin College  | ND    | Bismarck State College                                    |
| IN    | Harrison College-Indianapolis                             | ND    | Valley City State University                              |
| IN    | Huntington University                                     | ND    | University of North Dakota                                |
| IN    | Indiana Wesleyan University                               |       |   |
| IN    | Manchester College  |       |   |
| IN    | National College of Business and<br>Technology            | NE    | University of Nebraska at Omaha                           |
| IN    | University of Saint Francis-Fort<br>Wayne                 | NE    | University of Nebraska-Lincoln                            |
| IN    | Vincennes University                                      | NE    | University of Nebraska at Kearney                         |
| IN    | Valparaiso University                                     | NE    | Doane College   |
| IN    | Purdue University Calumet                                 | NE    | Nebraska Wesleyan University                              |
| IN    | University of Notre Dame                                  | NE    | Chadron State College                                     |
| IN    | Purdue University   | NE    | Concordia University                                      |
| IN    | Ball State University                                     | NE    | Grace University  |
| IN    | Indiana University South Bend                             | NE    | Wayne State College                                       |
| IN    | Indiana University Southeast                              | NE    | Midland Lutheran College                                  |
| IN    | University of Evansville                                  | NE    | Dana College  |
| IN    | Saint Mary-of-the-Woods College                           | NE    | Hastings College  |
| IN    | Saint Mary's College                                      | NE    | Union College   |
|       |   | NE    | York College  |
| KS    | Wichita State University                                  | NE    | Peru State College  |
| KS    | Emporia State University                                  | NE    | Bellevue University                                       |
| KS    | Washburn University                                       | NE    | Creighton University                                      |
| KS    | Pittsburg State University                                |       |   |
| KS    | University of Kansas                                      | SD    | Globe University-Sioux Falls                              |
| KS    | Fort Hays State University                                | SD    | University of South Dakota                                |
| KS    | University of Saint Mary                                  | SD    | Dakota State University                                   |
| KS    | MidAmerica Nazarene University                            | SD    | National American University                              |
| KS    | Benedictine College                                       | SD    | Augustana College   |
| KS    | Bethany College   | SD    | Dakota Wesleyan University                                |
| KS    | Central Christian College of Kansas                       | SD    | Mount Marty College                                       |
| KS    | Friends University  | SD    | Oglala Lakota College                                     |
| KS    | Kansas Wesleyan University                                | SD    | Black Hills State University                              |
| KS    | Newman University   | SD    | Northern State University                                 |
| KS    | Ottawa University   |       |   |
| KS    | Southwestern College                                      | WI    | Silver Lake College                                       |
| KS    | National American University<br>Campus                    | WI    | University Of Wisconsin-<br>Whitewater                    |
| KS    | Kansas State University                                   | WI    | Edgewood College  |
|       |   | WI    | University Of Wisconsin-Milwaukee                         |
| MI    | Cleary University   | WI    | University Of Wisconsin-Oshkosh                           |
| MI    | Central Michigan University                               | WI    | University Of Wisconsin-River Falls                       |
| MI    | University of Michigan-Flint                              | WI    | Cardinal Stritch University                               |

Continued from Appendix 1

| <b>State</b> | <b>College/University<br/>(4yr Bachelor/<br/>Master and above)</b> | <b>State</b> | <b>College/University<br/>(4yr Bachelor/<br/>Master and above)</b> |
|--------------|--|--------------|--|
| <b>MI</b>    | Western Michigan University  | <b>WI</b>    | Viterbo University   |
| <b>MI</b>    | University of Detroit Mercy  | <b>WI</b>    | Concordia University-Wisconsin                                     |
| <b>MI</b>    | Northern Michigan University                                       | <b>WI</b>    | Marian University-Wisconsin  |
| <b>MI</b>    | University of Michigan-Ann Arbor                                   | <b>WI</b>    | Lakeland College   |
| <b>MI</b>    | Michigan State University  | <b>WI</b>    | Carroll University   |
| <b>MI</b>    | Ferris State University  | <b>WI</b>    | Herzing University   |
| <b>MI</b>    | Kettering University   | <b>WI</b>    | Mount Mary College   |
| <b>MI</b>    | Davenport University   | <b>WI</b>    | Saint Norbert College  |
| <b>MI</b>    | Andrews University   | <b>WI</b>    | University Of Wisconsin-Green Bay                                  |
| <b>MI</b>    | Adrian College   | <b>WI</b>    | University Of Wisconsin-Platteville                                |
| <b>MI</b>    | Alma College   | <b>WI</b>    | University Of Wisconsin-Stevens<br>Point                           |
| <b>MI</b>    | Calvin College   | <b>WI</b>    | University Of Wisconsin-Madison                                    |
| <b>MI</b>    | Concordia University   | <b>WI</b>    | Marquette University   |
| <b>MI</b>    | Cornerstone University   | <b>WI</b>    | University Of Wisconsin-Eau Claire                                 |
| <b>MI</b>    | Hillsdale College  | <b>WI</b>    | Carthage College   |
|              |  | <b>WI</b>    | University Of Wisconsin-Superior                                   |