

## **Planning Virtual International Field Trips in Accounting Courses**

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### **Abstract**

In this paper we suggest several “field trips” to sites on the worldwide web to enhance the international financial accounting learning experience. When planning these research projects which we have coined “net lab” assignments, instructors are encouraged to tie the learning objective of the exercise to program goals and material in the course textbook.

### **Why Should I Plan a Virtual Field Trip?**

The traditional lecture format is the predominant mode of delivering education in the university accounting classroom. However, since the 1980’s educators in higher education have encouraged strategies that actively involve students in doing things and thinking about what they are doing in order to promote student learning (Bonwell & Eison, 1991).

Participating in a field trip is an active learning activity that can build on classroom discussion and textbook reading. From the students’ perspective, field trips may be enjoyable simply because there is a change in the routine and the experience of new things ([www.bluekids.org](http://www.bluekids.org)). Field trips allow students to “escape” from the classroom.

From the instructor’s perspective, field trips may offer students the opportunity for inquiry-based field exercises. With guided inquiry strategies, the instructor develops a plan; and the student performs the activity, gathers the data, and draws conclusions (Foos & Leonard, 2002). The instructor plans the activity to increase the student’s understanding of course materials and develop skills in the discipline.

With technology, instructors can design virtual field trips for their students to “escape” the classroom and stimulate their learning ([www.internet4classrooms.com/vft.htm](http://www.internet4classrooms.com/vft.htm)). In this paper we present three examples of activities we have developed and introduced as “Net Lab” assignments into our accounting coursework. These labs can be described as virtual field trips.

A completed lab assignment requires students to (1) access one or more appropriate Internet sites, (2) explore the content, and (3) complete a one-page report (double-spaced,

typed and submitted in hard copy) to document their compliance. On the day the assignment is due, students are expected to be ready for classroom discussion; and the faculty member leads this discussion preferably with the help of an online Internet connection in the classroom. Additional details, including possible instructor comments during the web site presentations, are provided in the “Instructor’s Touring Notes” section.

## **What is a “Net Lab” Assignment?**

The purpose of each of the net lab assignments is to stimulate learning and expand the discussion in the textbook. Students take the responsibility for particular sites or information within a web site location. Sometimes the students are free to choose the web site location based on the parameters of the assignment (Net Lab Assignment Nos. 1 and 3); other times they are directed to a particular Internet site (Lab No. 2) and make choices within the site. They are asked to compare and contrast their findings with prior learning from the textbook and class notes in a written assignment. Students are expected to continue this comparative assignment in a classroom discussion. The exercise requires students to think critically during guided, relatively unstructured assignments.

When developing lab assignments, instructors should identify web sites that provide examples of the institutions and organizations described in the textbook materials (e.g. Stock Exchanges, International Accounting Standards Board (IASB) or Financial Accounting Standards Board (FASB), corporate investor relation sites). Assignments should be linked to specific learning objectives within the course. Linking the assignments to learning objectives in the course ensures that “the trip” supports the curriculum and education standards. In addition to the educational benefits for the students, linking field trips with specified course objectives facilitates data collection in the Association to Advance Collegiate School of Business (AACSB) reporting and accreditation process (should that goal be of interest to the instructor).

The following section of this paper provides three examples of net lab assignments relevant to the topic of international financial accounting. These assignments explore stock exchanges, international accounting standards and the International Accounting Standards Board (IASB), as well as international companies and their financial statements.

## **Examples of Specific Assignments**

### **Net Lab No. 1**

Choi and Meek (2008) suggest students explore web sites for evidence of the quality of information available for investors. During our assignment students explore the details of individual web sites for stock exchanges worldwide and evaluate the sites for content and structure. The learning objective on the syllabus for a financial accounting course that relates well to this exercise is “Explain the impact of culture on the accounting regulatory environment.”

**Assignment No. 1 – Differences Among Web Sites of Stock Exchanges**

Are there differences among web sites for stock exchanges located in different countries? Comment on the similarities and differences you have observed.

Suggested Sites:

Australia	<a href="http://www.asx.com.au">www.asx.com.au</a>
Canada	<a href="http://www.tse.com">www.tse.com</a>
Germany	<a href="http://www.deutsche-boerse.com">www.deutsche-boerse.com</a>
Italy	<a href="http://www.borsaitalia.it">www.borsaitalia.it</a>
Spain	<a href="http://www.bolsamadrid.es">www.bolsamadrid.es</a>
Turkey	<a href="http://www.ise.org">www.ise.org</a>
U.S.	<a href="http://www.nyse.com">www.nyse.com</a>

Students compare and contrast what they find when visiting the web sites and reflect in their writing. Topics for classroom discussion before the assignment include the factors underlying standard-setting, as well as the Nobes (1983) and Douppnik and Salter (1993) classification models. On the due date, the instructor can lead the preliminary discussion with three examples: New York Stock Exchange (an example of markets rooted in a micro-based economy), *Bolsa de Madrid* (an example of markets in a macro-based economy) and the Istanbul Exchange (an example of a more recently organized exchange) in this order. Step-by-step instructions are provided in the accompanying “Instructor’s Touring Notes.”

**Net Lab No. 2**

The second lab assignment asks students to explore the details of the IASB, IFRS, U.S. and other national-level generally accepted accounting principles (GAAP). The learning objective being supported in financial accounting is “Develop accounting technical skills.”

**Assignment No. 2 - Comparing Financial Accounting Standard Frameworks**

Please choose one country. Identify its status in terms of whether its regulators accept the use of IFRS. Find three significant differences in accounting treatments between two sets of standards. The examples you cite may arise from differences between specific standards under IFRS and U.S. GAAP, another country’s national GAAP and U.S. GAAP, or the country’s national GAAP and IFRS.

Recommended Site: <http://www.iasplus.com>

Students are expected to come to class with a list of three differences in accounting treatment between two sets of standards, as well as the status of a particular country’s

adoption of IFRS. Again, students compare and contrast their findings during classroom discussion.

Faculty may wish to begin this web site tour by reiterating the history of IASB and the prevalence of IFRS adoption around the world. Please see the Instructor's Touring Notes for more details.

Students usually choose standards for geographic areas in which they have an interest. Individual students will become experts in the information he or she encountered on the web. To facilitate grading, we recommend that instructors require students to copy the source of the information in their lab reports and attach it to their write-ups.

### **Net Lab No. 3**

The third example is more comprehensive and requires students to compare the details of company reports found on line. The exercise can stand alone but operates well as an extension of the second assignment.

Assignment No. 3 – Comparing Company Reporting Practices in the Context of Various Frameworks

Find annual reports for multinational companies on the web. Compare and contrast reports from a non-U.S. company with a U.S. company preferably in the same industry.

Suggested Sites:        [www.zpub.com/sf/ar/](http://www.zpub.com/sf/ar/)  
                                 [www.Sec.gov](http://www.Sec.gov)  
                                 [www.Ft.com](http://www.Ft.com)  
                                 [Barronsonline.com](http://Barronsonline.com)

Or the “Investor Relations” link at a company’s own web site.

## **Why Do We Recommend Integrating Virtual Lab Assignments When Teaching International Accounting Topics?**

We recommend the assignments because:

1. The educational literature suggests that virtual field trips may stimulate learning ([www.internet4classrooms.com/vft.htm](http://www.internet4classrooms.com/vft.htm)).
2. Use of the Internet is no longer an economic constraint for students, and the worldwide web has well-developed sites to support student learning.
3. Students are exposed to primary sources of information that are part of the real world.
4. The web materials reflect changes in the accounting environment, such as the standard-setting process, faster than our textbooks reflect them.

5. The field of accounting is dynamic, and the activities keep both instructor and student up to date.
6. Students will be actively engaged with the topics in the course rather than remain passive learners. Each one will become an “expert” for the information he or she encounters on the web. For example, students with a proficiency in a language other than English may translate information from the web for the rest of the class. This situation has occurred in our classroom with Thai and Spanish-speaking students.
7. As instructors, we merely guide the learning process during a field trip on the web. Students collect and interpret the data in the context of what we have taught them. Students’ applying what we have taught them in new situations demonstrates their development of critical thinking skills.
8. Active learning prepares students for lifelong learning.
9. Our experience with students has been positive.
10. Students themselves report positive experiences.

### **Student Assessment of Net Labs**

In addition to quantitative information, our annual student course evaluation survey seeks qualitative information from the students in terms of course structure and content. Although there is no specific question in the survey regarding the value of net lab assignments, we have gleaned some student commentary from those evaluations (in addition to direct student verbal feedback) in support of our assertion in Item No. 10 above that students are reporting positive experiences.

In general, students evaluate the projects as being interesting, helpful, and reflective of the real world:

“The one-page write-ups were informative in that it [sic] required us to look at accounting websites that we would otherwise never look at. The [classroom] discussions were interesting as well.” This comment provides an acknowledgement of the basic value of net lab assignments, that is, the basic goals of expanding study beyond the text and providing an interesting study experience.

“...[The net lab] project about accounting standards was very helpful in learning about different accounting bodies in different parts of the world.”

Rather than receiving a list of institutions or standards from a secondary source such as their textbook, the students find the details for themselves. They will know where to look for information in the future (Item No. 8 above). The variation between and among countries emerges during the subsequent classroom discussion. After completing Net Lab No. 2, students expressed an appreciation during the classroom discussion on the current complexity of accounting standard frameworks, differences between countries, and the enormity of the task of convergence of those frameworks.

One student commented that the net lab assignment gives “a practical view of the business world.” A second commented, “I really liked the assignments because it [sic]

put our class discussion into real world context.” Such commentary directly supports our assertion in Item No. 3 above that students are exposed to information that is based in the real world.

Some students offer constructive criticism. One student commented that the net lab assignments are “too unstructured.” We agree with the student’s assessment that the labs are relatively unstructured. However, we consider this characteristic a benefit to the student learning process because unstructured exercises --where the student must go to primary sources, think things through, communicate results to others --contribute to the goal of teaching our students life-long learning skills (Item No. 8 above).

Another student comment suggests increasing the amount of discussion time after each assignment. We appreciate this comment because we observe that sometimes students do not always get the opportunity to participate equally when a discussion takes place within a set amount of class time. We recommend that faculty ask for volunteers to open the discussion, and then ask for additional comments from students who may also have researched the same country or a close geographic or cultural relative. Then move on to hear from students who are prepared to discuss research results from other parts of the world. This classroom protocol conserves start-up time and helps the discussion to progress logically.

Also, begin to wind down the discussion with ten to fifteen minutes to spare and ask for input from any student who feels the need to express a compelling observation before terminating the class discussion. Given this opportunity, a student who did not speak much may not be resentful or feel neglected.

## **Instructor’s Touring Notes**

### **NET LAB NO. 1 - Differences Among Web Sites of Stock Exchanges**

The following tours detail stock exchanges located in NY, Madrid, and Istanbul. These exchanges provide examples of micro-based (NY, U.S.), macro-uniform (Madrid, Spain) and newly organized systems (Istanbul, Turkey). From our experience, the tabs can be relocated so check the links shortly before class.

Access: <http://www.nyse.com>

General Comment: The NYSE is a high-quality, sophisticated, well-developed web site constructed to serve a broad constituency.

Specific Comment: Alliance between and among exchanges is occurring. Note the Euronext partnership.

Click on “About Us.”

Click on “Education.”

Click on “Educational Materials.”

Comment on extensive list of materials in support of educating the public on its role and products offered.

Click on “Listings.”

Comment on the diversity of products and ask students to remember the last link “warrants” which is a common European product. Ask students if they know what a warrant is and briefly describe similarities and differences with U.S. stock options. Warrants are similar to options because a warrant gives the owner the right to purchase stock at a specific price. However, warrants differ from stock options in significant ways (www.investopedia.com). A stock warrant is issued by the company itself, and new shares are issued by the company if the warrant is exercised. Options usually have a shorter term than warrants. Warrants can last for up to 15 years and are generally issued by the companies as a “sweetener” for debt issued and traded on an exchange. Expect to see more warrants being traded in a macro-environment with a tradition of debt-financing.

Go back to “Home.”

Click on “Investor Relations.”

Click on “Financials.”

Comment on transparency of the NYSE financial statement availability and the number of indices tracked and reported by the Exchange.

Go back to “Home.”

Click on “Regulations.”

Click on “NYSE.”

Comment on the availability of the detail of the NYSE body of regulations. Point out the availability of site features in other languages. Summarize by noting the quality of the site; the reporting in “real time;” the degree of products offered on the exchange and the availability of information on companies and the stock market itself. Note that the web site incorporates news articles that relate to the current business environment and includes other “user-friendly” features such as educational training programs on how to use the site. This exchange also has links to other media sites, including social networks.

Access: <http://www.bolsamadrid.es>

Choose British flag icon for English translation.

Ask if any of the students wish to comment as students often have chosen this site.

General Comment: Comment that the variation in these two web sites is in large part explained by the difference in the level of economic development between the U.S. and Spain.

This web site is not as stimulating as NYSE (black-colored background, only a few tabs). Note that this exchange is one of four Spanish exchanges.

Click on “Markets.”

Comment on the preponderance of public debt and how warrants may be evidence of a macro-based economy

Click on “Relevant Facts” tab at the top of the site.

Comment that it is only available in Spanish so it is not constructed to appeal to a wide range of users.

Click on Bolsa.

Click on “Regulations.”

Comment that the information is only made available to certain users. This may be an example of a country with a greater tolerance for power differences among members of its society. (This latter comment is most relevant for faculty who include culture as a factor influencing the development of accounting standards in their prior classroom discussions.)

Ask if students have researched one of the other sites and request their comments.

Access: <http://www.ise.org>

Note that NYSE has “com” extension and Istanbul exchange has “org” extension. NYSE is a commercial enterprise whereas the government is operating the Istanbul exchange.

Ask for any student who chose this exchange to comment.

Click on “About Us.”

Click on “Milestones.”

Go to 1987 paragraph.

Comment on computation of weekly rather than daily indices.

Click on “affiliations.”

Go to Kyrgyz exchange.

Click on listings.

Note that many of the few listings are banks and that this is the case when a stock exchange is new and an economy is developing.

In summary, exchanges located in micro-based economies with a history of equity financing of business enterprises will be more sophisticated and appeal to a broad range of investors. They will offer more investment products. In general, the exchanges serving macro-based economies with a tradition of debt financing will tend to be less developed and constructed to serve a smaller population with fewer product needs.

## **NET LAB NO. 2 – Comparing Financial Accounting Standard Frameworks**

Access: <http://www.iasplus.com>

Click on the IASB link and explain the history of IASB.

Scroll down to picture of IASB headquarters in London to set the tone of going on a “field trip.”

Return to “Home.”

Look for the list under “Resources.”

Click on “Use of IFRS.”

Note which countries allow or require IFRS.

Explain the first three footnotes encountered on the list to describe the variety of approaches to IFRS adoption. As evidenced by the footnote explaining Austria’s position, the EU has not embraced the IFRS in their entirety; Australia has adopted an “IFRS equivalent.”

Click on “Compare IFRS and Local GAAP.”

Choose two links. Each link will offer a handbook with side by side comparisons for two sets of standards (e.g. IFRS vs. U.S. GAAP).

Ask students to list three specific differences between two sets of standards.

Also inquire whether the countries involved (if national GAAP) have adopted IFRS. This information is available under the “Use of IFRS” link.

There are multiple solutions to this exercise. The students should note which handbook and which page in the handbook provided the detail to facilitate grading. During the discussion, ask for volunteers. When a volunteer has finished, ask if other students have examples from the subject country before moving on to another country.

### **NET LAB NO. 3 – Comparing Company Reporting Practices in the Context of Various Frameworks**

Some items that students may observe when completing the third assignment:

- Independent Audit Reports in micro-based economies vs. Statutory Audit Reports sometimes presented in country-specific reports in macro-based economies such as Switzerland and France
- Remuneration Reports in annual financial reports of companies located in Great Britain or countries with British influences
- Environmental or Social Reporting in continental European company financial reports
- Varying presentation within the financial statements, such as the ordering of accounts or elements within the financial statements
- Different GAAP
- Terminology different from U.S. GAAP
- Convenience Statements, especially prevalent in French and Japanese reporting environments

Solutions to this net lab assignment are not unique. We again recommend that faculty require students completing the lab to attach a copy of their sources and note the link, company report and page within the annual report so you can find support for their answers easily when grading the one-page lab report. Just asking for this detailed information will make them feel accountable for the product and require less cross-checking on your part.

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## Biographies



Diane A. Riordan is a professor of accounting at James Madison University in Virginia. She teaches tax, international accounting, and principles of financial accounting. She earned her Ph.D. at Virginia Tech and has taught at James Madison University for more than twenty years. Dr. Riordan has published many articles on accounting education and taxation. Most recently she has published in *Issues in Accounting Education* and the *Tax Adviser*. She serves on the Review Board of the American Tax Association's *Journal of Legal Tax Research*.



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