

## **The Determinants of IFRS Coverage in the Undergraduate Accounting Curricula**

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*Academics have received mixed messages for over a decade concerning if, when, and how International Financial Reporting Standards (IFRS) will be implemented in the United States, and those uncertainties have left many accounting departments in a quandary. Currently, as the SEC continues to consider whether IFRS should be mandated for U.S. companies, collegiate accounting students are graduating with varying degrees of IFRS knowledge. This correlational research study utilized a quantitative method of inquiry to gain a better understanding of the impact potential IFRS adoption has had on accounting education from the perspective of accounting educators. A logistics regression model was used to investigate potential relationships among the study's five independent variables (educator rank, institution size, IFRS familiarity, IFRS uncertainty, timing of U.S. IFRS adoption) and the dependent variable of interest (IFRS course coverage). Although results indicated that the overall regression model was significantly predictive ( $\chi^2(11) = 21.48$ ,  $p = .029$ ) and correctly classified IFRS course coverage in 87% of the cases; an analysis of the correlations among individual constructs revealed that only one factor, IFRS familiarity, was significantly related ( $p = .007$ ) to IFRS course coverage. The study makes an important contribution to the accounting literature by imparting insight into how educator characteristics and perceptions regarding U.S. IFRS convergence influence the coverage of IFRS principles in their accounting classes. In addition, by examining the degree of IFRS coverage currently in the accounting curricula as well as the factors influencing that coverage, educators can determine whether students are being adequately prepared for the global work environment and redesign the curricula accordingly.*

### **1. Introduction**

Understanding and interpreting financial statements in the increasingly global business environment has become a difficult task, and has stimulated the need for a common reporting language (Moqbel, Charoensukmongkol, & Bakay, 2013). According to Zhu, Rich, Michenzi, & Cherubini (2011), "as the world economy continues to evolve, a set of global accounting standards is increasingly important for capital market participants looking to efficiently allocate resources across international borders" (p. 725). The International Accounting Standards Board (IASB) was formed in 2001 as the independent standard-setting body to address the problem of diverse accounting practices and comparability with respect to cross border financial reporting (Zaidi & Paz, 2015). The goal of the IASB was to bring transparency and accountability to global financial markets by developing a single set of harmonized reporting standards for use all over the world (Spiceland, Sepe, & Nelson, 2013).

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Hence, the IASB developed IFRS, and have been successfully promoting their use in jurisdictions worldwide for years. According to the IASB, harmonized accounting standards serve the public interest by “fostering trust, growth, and long-term financial stability in the global economy” (Pacter, 2015, p. 13). Although more than 120 countries worldwide have permitted or mandated the adoption of IFRS (Meyer, 2015; Poon, 2012), the U.S. has been slow to implement its use (Larson & Street, 2011; Tan, Chatterjee, & Bolt, 2014).

The U.S. SEC has recognized the need for a common reporting language worldwide, and has been considering a move to IFRS for over a decade. Although they have indicated that a single set of globally accepted standards is desirable, they have also indicated that they will not mandate the change until they are certain the interests of U.S. investors and capital markets are best served (Poon, 2012). There are still many unresolved issues regarding U.S. IFRS adoption, especially with respect to the SEC’s position, the potential elimination of GAAP, and the nature and scope of IFRS education (Meyer, 2015). In 2011, the American Institute of Certified Public Accountants (AICPA) began testing IFRS content on the Certified Public Accountant (CPA) Exam, indicating their support for the global set of standards. However, incorporating IFRS education in collegiate accounting programs has been a slow process (Tan et al., 2014; Yallapragada, Toma, & Roe, 2011).

Technical competence in IFRS is lacking, both within the U.S. accounting profession and in academia. In fact, the lack of IFRS education and training among accounting professionals is one of the reasons IFRS have not been thus far adopted by the SEC (Gornik-Tomaszewski & Showerman, 2010; Rezaee, Smith, & Szendi, 2010). Several articles have addressed IFRS education issues and the uncertainties that exist regarding the adoption of IFRS as the required financial reporting standard in the United States. However, there are a limited number of empirical research studies available. Most of the literature provides updates on the SEC’s position or explores contradictory views surrounding its replacement of U.S. GAAP. Further, there has been a call for future research examining educator perceptions of IFRS (McGee & Bandyopadhyay, 2009; Tan et al., 2014; Zhu et al., 2011). McGee and Bandyopadhyay (2009) examined accounting chairs’ perceptions of IFRS, but their study did not include any inferential analysis of those perceptions. Zhu et al.’s (2011) study provided one of the few studies, which examined faculty perceptions and related IFRS content, but it was limited to coverage in introductory accounting courses. The current study will contribute to the existing body of accounting literature by empirically examining educator perceptions regarding U.S. IFRS adoption and IFRS education issues.

A key implication of adopting IFRS in the United States is the necessary changes that need to be made in the accounting curricula of U.S. accounting programs. This correlational research study utilized a quantitative method of inquiry to gain a better understanding of the impact potential IFRS adoption has had on accounting education from the perspective of accounting educators. A logistics regression model was used to investigate potential relationships among the study’s five independent variables (educator rank, institution size, IFRS familiarity, IFRS uncertainty, timing of U.S. IFRS adoption) and the dependent variable of interest (IFRS course coverage).

### 2. Prior Literature Regarding IFRS Education

Throughout the literature accounting educators have reported numerous problems with how and where to integrate IFRS principles in an already crowded accounting curriculum; and have expressed concern over the potential for financial reporting “content overload” (Clay, 2013; Derstine & Bremser, 2010; Gornik-Tomaszewski & Showerman, 2010; Jackling, Howieson, & Natoli, 2012; Weiss, 2011; Yallapragada et al., 2011). Yallapragada et al.’s (2011) research summarized the problems most educators have identified with incorporating IFRS into the curriculum. The two main issues identified were lack of faculty training and lack of adequate textbook materials (Yallapragada et al., 2011). Curriculum challenges were also addressed by Gornik-Tomaszewski and Showerman (2010) in their research. The authors suggested that U.S. collegiate institutions are not equipped to teach IFRS at a level necessary for full adoption of the Standards.

Clay (2013) used a qualitative methodology in his research and interviewed participants regarding the perceived changes needed in U.S. accounting education because of the looming IFRS mandate. Participants were purposefully sampled by the author and included five accounting practitioners and seven accounting professors (Clay, 2013). The majority of respondents indicated that IFRS principles should not be covered in-depth in the entry level accounting classes; rather, IFRS concepts should only be introduced to students at that level (Clay, 2013). Respondents advocated for in-depth IFRS coverage in the intermediate courses where the majority of students are accounting majors. They suggested comparing and contrasting GAAP and IFRS principles using actual companies’ financial statements so that students could visualize the differences in the standards (Clay, 2013). There was also a consensus among participants that a stand-alone IFRS course was not needed until the SEC mandated a U.S. change to the international standards (Clay, 2013).

In a study by Moqbel et al. (2013), the authors surveyed accounting educators and practitioners to determine if they were embracing IFRS as the common financial reporting language and were supporting U.S. convergence to the standards. A modified model based on the technology acceptance model (TAM) and the theory of planned behavior (TPB) was used to determine whether participant’s views about risks, usefulness, and familiarity with IFRS affected their readiness to adopt the new standards (Moqbel et al., 2013). Survey results indicated that perceived risk, familiarity, and usefulness were significant determinants of the readiness to adopt IFRS. Perceived risk had the strongest power in predicting IFRS readiness. Moqbel et al. (2013) suggested increasing familiarity and awareness of IFRS through education as a mechanism to reduce perceived risk. Specifically, injecting international accounting cases in the accounting curricula of higher education was a suggestion of the authors for creating a more robust understanding of international business principles and standards (Moqbel et al., 2013).

Research by Meyer (2015) pointed to a possible shift in faculty members’ views on IFRS education. One practitioner and former IFRS instructor indicated that teaching IFRS is not as important today as it was a few years ago and suggested that many students will not even use IFRS in their careers. However, according to Meyer (2015), a majority of

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professors still believe that IFRS should be taught, not only because IFRS principles are now being tested on the CPA exam, but also because so many accounting graduates will eventually be conducting business across borders with multinational clients.

### 3. Research Methodology

This correlational research study utilized a quantitative method of inquiry to gain a better understanding of the impact potential IFRS adoption has had on accounting education. To align with the study's purpose, the degree of IFRS coverage, measured by the time educators spend teaching IFRS material in their classes, was the criterion variable of interest. Based on a review of the literature, it was presumed that the nature and extent of class discussions regarding IFRS is influenced by an educator's professional characteristics or by their perceptions regarding IFRS uncertainties (AAA/KPMG IFRS Survey, 2011; Atabey, Akmesse, & Akmesse, 2014; Kasonso, 2015; LeJeune, 2015; Moqbel et al., 2013; Rezaee et al., 2010; Zhu et al., 2011). Thus, independent variables for the study included educators' professional characteristics (academic rank, institution size, and self-reported familiarity with IFRS principles) and IFRS uncertainty factors (perceived likelihood and timing of U.S. IFRS convergence). Although the constructs chosen for the current investigation have been examined in prior IFRS literature (AAA/KPMG IFRS Survey, 2011; Atabey et al., 2014; Kasonso, 2015; LeJeune, 2015; Moqbel et al., 2013; Rezaee et al., 2010; Zhu et al., 2011), their collective impact on IFRS course coverage in the collegiate accounting curricula has not been investigated thus far.

Five research questions and corresponding hypotheses were developed to explore the presumed relationships between variables. The first three questions explored the influence educators' professional characteristics have on IFRS course coverage, and the last two questions explored the impact educators' perceived uncertainties regarding U.S. IFRS adoption have on IFRS coverage.

**RQ1.** Does an accounting educator's academic rank influence IFRS course coverage?

**H1<sub>0</sub>.** There is no statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's academic rank.

**H1<sub>a</sub>.** There is a statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's academic rank.

**RQ2.** Does the accounting educator's university size influence IFRS course coverage?

**H2<sub>0</sub>.** There is no statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's institution size.

**H2<sub>a</sub>.** There is a statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's institution size.

**RQ3.** Does an accounting educator's familiarity with IFRS principles influence IFRS course coverage?

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**H3<sub>0</sub>**. There is no statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's familiarity with IFRS principles.

**H3<sub>a</sub>**. There is a statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's familiarity with IFRS principles.

**RQ4**. Is IFRS course coverage influenced by the accounting educator's beliefs concerning the likelihood of U.S. IFRS adoption?

**H4<sub>0</sub>**. There is no statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's beliefs on the likelihood of IFRS adoption in the United States.

**H4<sub>a</sub>**. There is a statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's beliefs on the likelihood of IFRS adoption in the United States.

**RQ5**. Is IFRS course coverage influenced by the accounting educator's beliefs concerning the timing of U.S. IFRS convergence?

**H5<sub>0</sub>**. There is no statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's perceived timing of IFRS convergence in the United States.

**H5<sub>a</sub>**. There is a statistically significant relationship between the amount of time a faculty member spends teaching IFRS and the faculty member's perceived timing of IFRS convergence in the United States.

## 4. Research Instrument and Sample

Data used in the statistical analyses were obtained through an electronic survey distributed to accounting instructors selected from the online *Hasselback Accounting Faculty Directory*. The population of accounting educators was partitioned into groups on the Hasselback website based on the institution where each educator was employed. Email addresses were obtained directly from the website, or from the online directory of the educator's institution, both of which were publicly available. To obtain a more representative sample of the population, three educators were randomly selected from each U.S. institution, unless a particular institution only had three or fewer faculty members to choose from. Only educators teaching at a U.S. public or private college or university, and only those actively teaching an accounting class during the fall semester of 2016 were eligible for the survey.

A formal priori analysis was conducted using G\*Power analysis software to determine the sample size needed for the study. A priori power analysis provided an ideal way to control both the type-1 error probability  $\alpha$  and the type-2 error probability  $\beta$ , as well as control the power level of the test ( $1 - \beta$ ) (Mayr, Erdfelder, Buchner, & Faul, 2007). A sample size of 92 was indicated from the priori calculation using multiple regression and five predictor variables; and was based on an alpha of .05, beta of .20, and an effect size of .15 that,

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according to Cohen (1992), is a medium effect for a regression/ correlation analysis. To improve the validity and reliability of the study, a pre-validated instrument by Zhu et al. (2011) was adapted and used with permission. Questions from the Zhu et al. (2011) survey were revised appropriately in order to address each study construct. A number of other published surveys involving educator perceptions and accounting curricula coverage with respect to IFRS were also reviewed in developing the questionnaire (AAA/KPMG IFRS Survey, 2011; McGee & Bandyopadhyay, 2009; Zhu et al., 2011). A description of each variable and how it was used in the study can be found in Table 1.

**Table 1: Variable Descriptions**

Variable	Description	Variable Type	Survey Question	Research Question & Hypothesis
IFRS Coverage	Time spent covering IFRS-related material during Fall 2016 1 – No Coverage 2 – Minimum Coverage 3 – Moderate Coverage 4 – Significant Coverage	Dependent	12	RQ1: H1 RQ2: H2 RQ3: H3 RQ4: H4 RQ5: H5
Rank	Educator's academic rank 1 – Professor 2 – Associate Professor 3 – Assistant Professor 4 – Instructor 5 – Adjunct/Part-time	Independent	5	RQ1: H1
Institution Size	Educator's institution size 1 – Less than 3,000 2 – 3,000 – 10,000 3 – 10,000 – 25,000 4 – Over 25,000	Independent	8	RQ2: H2
Familiarity	Educator's familiarity with IFRS 1 – Not Familiar 2 – Somewhat Familiar 3 – Familiar 4 – Very Familiar	Independent	16	RQ3: H3
Confidence	Perceived confidence in US IFRS convergence 1 – Not Confident 2 – Somewhat Confident 3 – Confident 4 – Very Confident	Independent	9	RQ4: H4
Timing	Perceived timing of US IFRS convergence 1 – Before 2018 2 – 2018 - 2023 3 – After 2023 4 – No Opinion	Independent	10	RQ5: H5

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### 4.1 Analysis of Data

At the time of the study, there were 650 U.S. schools listed in the Hasselback directory and survey procedures resulted in a total of 1,300 educators recruited for the study. The original sample obtained consisted of 128 participants. Prior to the analysis, the data were assessed for cases with large amounts of missing data (>50%). There was one case with missing data. Removal of missing cases ensured that incomplete data was not used in the subsequent analyses. A further 12 participants were removed for not meeting inclusion criteria. These removals resulted in a final sample of 115 participants. The first eight questions of the survey were used to collect demographic data from respondents in order to describe the study's sample. The sample consisted almost equally of female (51.3%) and male (48.7%) participants. Further, sample characteristics indicated that the majority of respondents held doctoral degrees (70.4%) and a rank of Associate Professor or higher (67.7%); and the majority of educators had been teaching for over 15 years (68.7%).

Educator responses to questions 9-13 of the survey were used to perform the statistical analysis of the study. Table 2 presents the frequencies and percentages of responses to those questions.

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**Table 2: Frequencies and Percentages of Survey Responses to Questions 9-19**

Question Number		n	%
9	“How confident are you that the U.S. will adopt IFRS at some point?”		
	Not Confident	64	55.7
	Somewhat Confident	41	35.7
	Confident	9	7.8
	Very Confident	1	0.9
10	“When will a majority of SEC registrants be required to file financial statements under [...] IFRS”		
	Between 2018 and 2023	41	35.7
	After 2023	57	49.6
	No Opinion	17	14.8
11	“How important do you feel it is for faculty today to teach IFRS [...]?”		
	Not Important	12	10.4
	Somewhat Important	79	68.7
	Very Important	23	20
	No Opinion	1	0.9
12	“Overall, how extensively do you cover IFRS related material [...]?”		
	No Coverage	19	16.5
	Minimum Coverage	74	64.3
	Moderate Coverage	17	14.8
	Significant Coverage	5	4.3
13	“How long have you been implementing your current IFRS teaching plan [...]?”		
	0 Terms	18	15.7
	1 Term	4	3.5
	2 Terms	6	5.2
	3 Term	8	7
	4 Terms	10	8.7
	5 Terms	17	14.8
	More than 5 Terms	52	45.2
14	“Compared to your current coverage [...] how much class time do you believe should be dedicated to IFRS-related issues [...]?”		
	Less than the current term	9	7.8
	Same as the current term	68	59.1
	More than the current term	26	22.6
	No Opinion	12	10.4
15	“How would you rate your ability to reduce coverage of current course materials [...] to expand discussion of IFRS topics?”		
	Very Low	82	71.3
	Moderate	27	23.5
	Very High	6	5.2
16	“How would you describe your familiarity with the details of IFRS?”		
	Not Familiar	5	4.3
	Somewhat Familiar	66	57.4
	Familiar	32	27.8
	Very Familiar	12	10.4
17	“What percentage of your formal education is based on an accounting system other than U.S. GAAP?”		
	0-5%	102	88.7
	6-25%	10	8.7
	26-50%	3	2.6
18	“How would you rate the level of training you have received in IFRS?”		
	No Training	27	23.5
	Some Training	81	70.4
	IFRS Expert	7	6.1
19	“Do you believe accounting students are being adequately prepared in IFRS principles [...]?”		
	Yes	71	61.7
	No	28	24.3
	No Opinion	16	13.9

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## 4.2 Study Results

A logistic regression analysis was utilized to examine correlations and dependence relationships, and link constructs and hypotheses. Logistic regression is a widely used multiple regression technique appropriate when studying the correlation between a single dependent variable and one or more independent variables (Cozby & Bates, 2012; Hoyt, Leierer, & Millington, 2006). The omnibus test of model coefficients indicated that the overall regression model was significantly predictive ( $\chi^2(11) = 21.48, p = .029$ ). Further, the regression model correctly classified 87% of IFRS course coverage cases using the predictor variables. While the overall regression model was significantly predictive of IFRS course coverage, further analysis of the Wald statistic for each individual predictor was performed to examine the five research questions and relevant hypotheses. The full results of this analysis are presented in Table 3.

**Table 3: Results of the Binary Logistic Regression**

Variable	Group	B	S.E.	Wald	Sig.	OR
Rank	Professor [ref: instructor/adjunct]	-1.49	0.95	2.47	.116	0.23
	Associate Professor [ref: instructor/adjunct]	-0.38	0.86	0.20	.658	0.68
	Assistant Professor [ref: instructor/adjunct]	-2.05	1.12	3.31	.069	0.13
Size	10,000 or more [ref: < 3,000]	0.26	0.78	0.11	.741	1.29
	Between 3,000-10,000 [ref: < 3,000]	0.64	0.74	0.75	.387	1.89
Familiarity	Familiar [ref: not to somewhat familiar]	1.72	0.63	7.37	.007	5.58
	Very familiar [ref: not to somewhat familiar]	1.19	0.87	1.86	.172	3.28
Confidence	Somewhat confident [ref: not confident]	0.09	0.69	0.02	.894	1.10
	Confident [ref: not confident]	1.41	0.98	2.08	.149	4.11
Timing	Between 2018-2023 [ref: no opinion]	1.15	0.96	1.44	.231	3.17
	After 2023 [ref: no opinion]	0.25	0.91	0.07	.787	1.28

The first research question asked whether an accounting educator's academic rank influenced IFRS course coverage. As shown in Table 3, results of the binary logistic regression indicated that academic rank was not a significant predictor of IFRS coverage, where  $p$  values ranges from  $p = .069$  to  $p = .658$ . The second research question was posited to determine whether an accounting educator's university size influenced IFRS course coverage. Results of the binary logistic regression shown in Table 3 indicated that

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university size was not a significant predictor of IFRS coverage, where  $p$  values ranges from  $p = .387$  to  $p = .741$ . The third research question addressed whether an accounting educator's familiarity with IFRS principles would influence IFRS course coverage. As displayed in Table 3, results indicated that familiarity was a significant predictor of IFRS coverage, where  $p$  values ranges from  $p = .007$  to  $p = .172$ . Research question four asked whether IFRS course coverage was influenced by an accounting educator's beliefs concerning the likelihood of U.S. IFRS adoption. Results from Table 3 suggested that confidence in the adoption of U.S. IFRS adoption was not a significant predictor of IFRS coverage, with significance levels ranging from  $p = .149$  to  $p = .894$ . The fifth and final research question asked if IFRS course coverage was influenced by an accounting educator's beliefs concerning the timing of U.S. IFRS convergence. As shown in Table 3, results indicated that IFRS course coverage was not significantly influenced by beliefs about the timing of the adoption of IFRS, with significance values ranging from  $p = .231$  to  $p = .787$ .

As indicated above, only one factor, IFRS familiarity, was significantly related to IFRS course coverage ( $p=.007$ ). Thus, the null hypothesis for Research Question 3 was rejected in favor of the alternative. This finding was consistent with existing literature stating that familiarity is positively associated with IFRS course coverage (Zhu et al., 2011). Although empirical research regarding IFRS course coverage is limited, other researchers have also found significant, positive associations between IFRS familiarity and IFRS proficiency (Kasonso, 2015), and IFRS familiarity and intention to adopt IFRS (Moqbel et al., 2013). In terms of familiarity, only 10.4% of educators in the current study assessed their level of familiarity with IFRS principles to be very familiar, which is in line with research by Kasonso (2015) and Rezaee et al. (2010). Kasonso (2015) attributed the lack of IFRS familiarity among accounting professionals with the lack of a mandated U.S. requirement to implement IFRS. Nevertheless, findings suggest that there is a need for IFRS training among educators in order to prepare them to teach IFRS principles in the accounting curriculum.

For all other variables, odds ratios were interpreted to understand the nature of any possible relationships. Although rank was not significant, odds ratios indicated that increased rank may be associated with decreased coverage when compared to instructors/adjuncts. This was contrary to expectations, as it was conjectured that educators with higher rank would spend more time covering IFRS principles in their courses. Further, comparing the results concerning rank to other studies yielded conflicting results. Similar implications were found in a study by Delcoure and Huff (2015) which examined the determinants of IFRS voluntary adoption in emerging markets. Delcoure and Huff (2015) found that level of education, which can be associated with rank, had no significant impact on the decision to adopt IFRS. On the other hand, studies by Kasonso (2015) and Gornik-Tomaszewski & Showerman (2010) both implied that a higher level of education was essential for applying IFRS principles in practice.

Despite insignificance of the relationship between size of the institution and IFRS coverage, odds ratios suggested that increased size may be associated with increased coverage when compared to institutions with less than 3,000 students. The positive association was consistent with prior literature that suggests that large institutions

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incorporate IFRS into their accounting curricula more significantly than smaller institutions. Thomas (2009) observed that U.S. universities incorporating IFRS into their accounting courses were the larger universities. His research suggested that the smaller universities were lagging behind the larger universities in terms of IFRS course infusion (Thomas, 2009). Likewise, Zhu et al. (2011) found evidence of a positive association between university enrollment and IFRS course coverage. Not surprisingly, research has also shown that accounting professionals from smaller accounting firms have a more negative view of IFRS than those from larger firms (Langmead & Soroosh, 2010). Similarly, in the study by LeJeune (2013) significant associations were found between size of employer and CPAs' reported IFRS attitudes.

Confidence was also not significantly predictive, but odds ratios suggested that increased confidence may correspond with increased IFRS coverage. These results are comparable to the study by Zhu et al. (2011), which found that instructors estimating that "IFRS Wins" were significantly more likely to increase the time and intensity of IFRS coverage in their classes. Previous research has also suggested that the majority of educators have confidence that IFRS will be implemented in the United States, even though the timing and structure of its implementation is in question (Kaya & Pillhofer, 2013; Kroll, 2008; Poon, 2012; Yallapragada et al., 2011). Contrary to those studies, the current study found that less than half (44.3%) of educators were confident that the U.S. would adopt IFRS. Although confidence was not found to be predictive of IFRS course coverage, the results suggest that confidence in a U.S. transition to IFRS has waned in recent years. Previous studies conducted by AAA and KPMG have also revealed a trend of diminishing confidence in U.S. adoption. According to those studies, confidence has decreased from 68% in 2009, to 54% in 2011, to 19% in 2014 (KPMG/AAA IFRS in the Accounting Survey, 2014).

Finally, timing perceptions were not significantly predictive, but odds ratios suggested that those who believed that adoption would occur between 2018 and 2023 and those who believed adoption would occur after 2023 were more likely to have moderate to significant coverage of IFRS standards when compared to those who had no opinion. This finding could be the result of respondents associating no opinion with "never" in terms of U.S. IFRS adoption. Nevertheless, the insignificant associations regarding timing were unexpected, as other studies have indicated that educators cover IFRS significantly less when they perceive the timing of IFRS convergence to be later. Results from the Zhu et al. (2011) study established that those respondents believing IFRS convergence would not occur until after 2020 spent less time covering IFRS than those believing it would occur sooner. Further, Chiang (2013) suggested that educators would be more serious about IFRS education if the date of U.S. convergence was set. According to Chiang (2013), once educators believe, convergence will take place in "X" number of years; IFRS infusion into the curricula will be more significant.

## 5. Limitations and Suggestions for Future Research

Limitations of particular concern in the current study related to validity or the legitimacy of research findings. In the study, the nonexperimental correlational design mitigated the threats to internal validity because no causal relationships were inferred. Issues relating

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to external validity were also addressed. Random sampling was used to make sure each educator in the target population had an equal chance of being included in the study, thus improving the generalizability of results. However, because four of the five contextual factors were not statistically significant in predicting IFRS course coverage, care was taken when generalizing those findings. The small sample size and low category frequencies may have affected the significance of results. Future research that increases the sample size or evaluates other contextual factors could potentially yield a better result.

Content or measurement validity was minimized by administering a peer-reviewed, published survey instrument used and validated in previous research. Reliability was enhanced by using easily replicable variables that had been previously used in other research studies. Further, participants were informed that their answers would be kept confidential in order to lessen the threat of response bias. Threats to construct validity, which can occur in the data analysis and interpretation phase of a study (Ihantola & Kihn, 2011), were minimized by exercising care in classifying data, attaching data to constructs, drawing linkages between constructs, and in the reduction and interpretation of the data.

Recent accounting literature, including the current study, has shown that confidence concerning U.S. IFRS adoption is starting to diminish among accounting stakeholders. Further research should be conducted in this area to determine if confidence is waning among accounting practitioners and/or accounting students. In addition, IFRS are considered principles-based standards, therefore education and training in IFRS requires more judgement and critical thinking skills as compared to the rules-based standards of GAAP. Thus, an important research avenue to pursue involves the examination of teaching methods most appropriate for instilling those skills. In the event of actual adoption in the United States of IFRS, research will be needed to examine the impact on the accounting profession including issues relating to regulation, financial reporting quality, and increased costs of compliance.

## 6. Conclusion

Educators play a crucial role in preparing students for the accounting profession. This study contributes to the accounting literature by providing a status on IFRS coverage in the undergraduate accounting curricula. The study explores how contextual factors influence faculty decisions to incorporate IFRS concepts in the classroom which is of interest to the SEC, academia, and the entire accounting profession. The study is important because the SEC has indicated that IFRS education is a significant milestone that must be reached before IFRS will be mandated in the United States (Weiss, 2011; Zhu et al., 2011). Even if U.S. IFRS adoption is abandoned by the SEC, education in IFRS principles will still be necessary for several reasons: (a) IFRS is already being tested on the CPA exam; (b) global transactions are becoming commonplace as businesses continually expand overseas; and (c) most of the world has already adopted or is planning to adopt IFRS.

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