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SOLUTIONS

Overview

Course Description

This is one of three courses in the *International Valuation of Fixed Assets* Professional Development Program. Many countries in the world have either adopted International Financial Reporting Standards (IFRS), are in the process of doing so, or are converging their national accounting and financial reporting systems to comply with IFRS. The adoption or convergence with IFRS significantly impacts the valuation profession and affects how all assets and liabilities are appraised for financial reporting. Even though the United States has not adopted IFRS, the officers of the U.S. Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) recognize that in a global environment they need to work together to make their financial reporting guidelines as comparable as possible. The two agencies accomplish this by emphasizing the similarities and minimizing the differences between the U.S. GAAP and the IFRS.

This practical course will help valuation professionals understand the relevant parts of the International Financial Reporting Standards that affect the valuation profession, including the use of common standards, terminology, and definitions. By working through international case studies, participants will learn the procedures for conducting fair valuation of fixed assets for financial reporting and how to conduct a test for asset impairment.

Upon completion of this course, participants will be able to:

- ☑ Understand international financial reporting and the basis for commonly prepared financial statements.
- ☑ Understand the relevant parts of IFRS that affect the valuation profession, including the use of common standards, terminology, and definitions.
- ☑ Learn the procedures for conducting fair valuation of fixed assets for financial reporting.
- ☑ Learn the procedures for how to conduct a test for asset impairment.
- ☑ Address problematic issues in working within IFRS.
- ☑ Apply knowledge using international case studies.

Learning Enhancements

The course has been designed with a variety of elements to enhance your learning experience.

- **Preview.** To give you an idea of what is to come, each part begins with a preview page that includes a brief overview of the content, learning objectives to consider as you move through the content, and learning tips that will assist you in understanding the information you're about to cover.
- **Learning Objectives.** Each learning objective covers requirements for understanding the concepts in the course. Look them over before the part begins so that you have a frame of reference as you move through the material. At the end of each part, reread the objectives. Are you able to do what is stated? If not, this is the time to ask your instructor for further information or review the concepts that you do not understand by referring to the recommended reading.
- **Examples and Problems.** To supplement the discussions, we've included examples, case studies, and exercises to focus attention on particular issues of importance and to elicit your opinions and appraisal experiences.
- **Review.** Each part concludes with a review, which includes the learning objectives and key terms and concepts that have been covered. Also, we've provided recommended readings from textbooks that will reinforce what you have learned in class.
- **Case Studies.** Throughout the Appraisal Institute's curriculums, case studies of varying length and complexity are used to help participants apply what they have learned. The cases are often worked in groups. The solutions provided for each case are not the only possibilities.
- **Review Quizzes.** To reinforce the information covered and to help participants study for the exam, the material includes short review quizzes, which consist of fill-in-the-blank, multiple-choice, true-false, or other types of questions. Answers are provided behind the solutions tab at the back of the handbook.
- **Digging Deeper.** **Digging Deeper information goes beyond the scope of the course and is not intended to be covered in class. It is not tested on the course exam; however, appraisers preparing for the comprehensive exam should be familiar with it, as well as all other material contained in the course handbook, whether or not it is presented in class.**
- **Solutions.** Answers to all of the exercises and problems are provided behind the solutions tab at the back of the handbook. To prepare for the exam, you should answer questions and work problems on your own before looking at the suggested solutions.

Appraisal Institute Classroom Guidelines

To make the course a positive experience for everyone attending, we have some guidelines for your consideration:

- 100% attendance is required. No exceptions.
- Limit use of computers and wireless devices to classroom projects.
- Communicate with business associates during break time instead of class time.
- Put away reading materials such as newspapers and books that are not used in class.
- Silence cell phones.
- Please do not record the lectures. Recordings are not permitted.
- Refrain from ongoing conversations with those seated near you and other distracting behavior.

General Information

- **Calculator.** A regular four-function calculator is required, but a financial calculator is not needed.
- **Important Note.** Laptops, cellular phones, tablets, iPads, wearable technology (smart watch, Apple Watch, Google Glass, etc.) and other devices that can store data or connect to the Internet are **NOT** permitted during the exam. In addition, all watches, wallets, bags, and purses must be removed and stored out of reach prior to taking the exam.
- **Breaks.** There will be two 10-minute breaks in each half-day session unless noted otherwise by the course sponsor. The lunch break is one hour.
- **Attendance sheets** will be distributed during class to verify your attendance during each half-day session. Only the session attended should be initialed.
- **Certificates of completion** may be downloaded upon successful completion of the course. Attendance during the entire course is required.

Recommended Texts

- *Wiley Interpretation and Application of International Financial Reporting Standards*, 2022 edition, John Wiley and Sons Inc., 2022.

Wiley IFRS is an annual publication.

International Valuation Standards 2022 (IVS). London: International Valuation Standards Council (IVSC), 2021.

- All IAS and IFRS standards used in this course can be obtained online at www.ifrs.org.

Note. Standards are subject to revision and websites may change.

- *Barron's Accounting Handbook*, 6th ed. Siegel, Joel G., and Shim, Jae K. Hauppauge, New York: Barron's Educational Series Inc., 2014.
- *The Appraisal of Real Estate*, 15th edition. Chicago: Appraisal Institute, 2020.