IFRS READINESS IN LATIN AMERICAN BUSINESS CURRICULA

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ABSTRACT

Multinational companies doing business in Latin America, and elsewhere in the world, must comply with individual countries' financial reporting and financial market rules and local legislation when disclosing financial information. This research assesses international financial reporting standards (IFRS) readiness in the finance, accounting, and taxation curricula in Latin American universities.

JEL: M4; I2

KEYWORDS: international financial reporting standards, business curricula, Latin America

INTRODUCTION

The issue to be addressed in this paper is whether or not Latin America's business curricula are ready to provide students the necessary international financial reporting standards (IFRS) knowledge to be successful either as financial report or tax return preparers or advisors or as users of financial information for making judgments and decisions. These judgments and decisions should consider financial market rules for companies to seek investment and financing opportunities and rights and duties under individual country's laws applying to such markets. According to March 2010 statistics of IFRS requirements for 172 country jurisdictions, 120 of them either require or allow IFRS for local companies listed in their stock exchanges (Deloitte Touche Tohmatsu, 2010). Munter and Reckers (2009) report the results of a survey of United States' participants, in which 22% intended to significantly incorporate IFRS into the curriculum during 2008-2009 and 33% planned to do so in 2009-2010. As more countries accept and implement plans for convergence to or adoption of IFRS, it is increasingly important for students of accounting, finance, and taxation to become more knowledgeable about IFRS.

The objective of this paper is to assess IFRS readiness in Latin American business curricula, compared to that of the United States and Canada. The data was obtained from course descriptions found on websites of a sample of universities listed on the Webometrics Ranking of World Universities. The IFRS readiness measure was the estimate of the proportion of accounting courses that include the discussion of IFRS as part of their description, for universities located in the Latin America region. Statistically significant proportion estimates were compared with subsamples from the United States and Canada region to analyze if there were significant differences in IFRS readiness in Latin America curricula when compared to those of the United States and Canada region.

Curricula must enable students to be knowledgeable with possible explanations for differences in accounting practices accepted in countries other than their own. These explanations include cultural, economic, legal, and economic factors, among others. IFRS readiness has important implications over the before mentioned disciplines for the successful application and usefulness of a set of high quality, global accounting standards. Finance professionals must understand how IFRS may impact the content, quality, and relevance of accounting information. This information is important in making judgments and decisions concerning the cost of raising capital in worldwide markets and the decision of whether to invest in international securities and/or acquire foreign firms or expand into new markets. The use of IFRS also affects the results of investment portfolio evaluation and performance indicators and metrics.

IFRS also has implications for tax practice. It affects tax planning and tax compliance, including documentation requirements. This is due to tax issues that may arise because of optimal foreign investment opportunities and financing choices under the implementation of IFRS principles.

While there is increased awareness of the challenges faced by the accounting profession's evolution towards global standards, this in and of itself does not guarantee that curricula reflect this trend. It is important that this be achieved to meet the goal of consistent interpretation and application of accounting standards to reflect economic events of the same nature in a similar, consistent manner to ensure comparability among financial statements of multinational companies. These interpretations will be increasingly more judgment based, which will impact accounting and business practices of these firms.

Businesses' continued access to global capital markets will not be possible if they do not prepare financial reports that are compliant with IFRS (Thomas, 2009). According to Alfaro and Hammel (2006), Latin American multinationals have achieved higher growth and lower financing costs by investing in host Latin American countries other than their home country. Consequently, business curricula must expose students to IFRS. This exposure can occur through infusion, new course development, and partnerships with foreign institutions (LeBlanc, 2007). Larson and Brady (2009), Charkey (2006), and Davidson and Francisco (2009) propose ways to add international content and issues to accounting courses. Website resources and study and work abroad projects are examples of alternatives for increased awareness about opportunities and challenges in doing business abroad and their implications over accounting education (Larson & Brady, 2009). In order for these firms to be adequately prepared, they must find ways to recruit and train their personnel at the lower costs possible. If curricula in business schools move in the direction of more awareness and readiness for a global mindset, it will become easier for multinationals to obtain the better prepared personnel for working with IFRS. This mindset leads to business process improvements, cost reductions, better budgeting and forecasting and improved business governance.

Professionals that may need to acquire IFRS knowledge to improve their job performance include budget analysts (Fabiszak, Feinberg, Jurek, & Sarkissian, 2009), tax professionals (McGowan & Wertheimer, 2009), bankers, audit committee members, and investors (Gannon & Wagner, 2008; Bukics, Masler, & Speer, 2009). However, it is not enough to develop alternatives for IFRS integration to accounting curricula and business professionals' need for IFRS knowledge. It is also necessary to assess the usage and effectiveness of these alternatives on actual curricula for students and training for professionals. This research is an attempt to fill the gap about the assessment of business curricula as it relates to courses taken by business students, with emphasis on the Latin American region. For these purposes, two measures, IFRS Readiness and Global Perspectives, not observed in previous literature, were created.

The paper is organized as follows. A literature review about the integration of IFRS to business curricula is presented next. The literature review is followed by a description of the methodology, including the topics of sample selection, IFRS readiness measure, and statistical tests. The next to last section discusses and analyzes the results. The last one presents the conclusions.

LITERATURE REVIEW

This section discusses the dilemma faced by Latin American multinational companies regarding international financial reporting standards (IFRS) and Latin America's opportunities and companies' alignment of objectives and practices to IFRS. The worldwide acceptance of IFRS is evident from the fact that 100 countries allow or require its use. As for its effect over multinational companies, at least 15,000 companies in these countries adopted IFRS, including foreign subsidiaries of most Fortune 500 companies. Multinational companies will be unable to have access to global capital markets if they are not compliant with IFRS (Thomas, 2009).

However, full adoption of IFRS is unlikely and efforts to converge, or make local accounting principles more similar to IFRS, are under way. This poses the challenge for multinationals to improve their accounting systems in order to measure, process and communicate information under both – local accounting principles and IFRS. If and when local standards cease to be applicable, most multinationals will be required to follow IFRS in their financial reports (Thomas, 2009).

A reasonable conclusion about the dilemma multinational companies in Latin America and elsewhere are facing is that the issue is not whether or not to prepare for convergence or adoption of IFRS but when and how to do it if they have not already done so. In order to be able to adapt to these global changes, many multinational stakeholders must have access to education about IFRS. These stakeholders include managers and accountants, auditors, investors, and regulators. For this educational process to be successful, professional associations, industry groups, and higher education institutions must integrate IFRS in the curricula for their program offerings (Thomas, 2009).

This debate has been going on in the United States and Canada (Anonymous, 2009; Choi, 2008; Larson & Brady, 2009; LeBlanc, 2007) and elsewhere (Coppin, 2007). While many may agree that accounting professionals in the United States must be able to obtain an adequate knowledge and understanding about IFRS, it is not yet clear as to when and how the curricula changes should take place. Larson and Brady (2009) proposed several alternatives for the integration of IFRS to accounting curricula including the following: web based resources, IFRS accounting textbooks, and discussion of international accounting cases. Charkey (2006) provides an example of a case meant to discuss IFRS in an introductory financial accounting course while Davidson and Francisco (2009) present alternatives for changes to an intermediate accounting course. The available strategies to integrate these resources into curricula may be classified into three basic categories: infusion, development of new international courses, and development of partnerships with foreign institutions (LeBlanc, 2007).

Infusion exposes students to international perspectives by adding foreign culture and geography content to actual core courses, those required for all students, regardless of their major. Development of new international courses requires that more time and resources are spent but allows a deeper understanding into relevant issues than infusion. Partnerships with foreign institutions may enable faculty and student exchanges to expose them to international cultures and knowledge (LeBlanc, 2007).

Specific approaches within these strategies are the comparative approach, the multidisciplinary approach, the issue approach, and the technical approach. Comparative approach means doing comparisons of more than one country or culture in a single course. When this is done in two or more courses, then the multidisciplinary approach is being used. Another strategy is the issue approach, in which cross-cultural issues are discussed in any course. Under the technical approach, computer simulations or other electronic media allow educators to join local and foreign universities' efforts for IFRS education (LeBlanc, 2007).

While these strategies and approaches were designed for university curricula, they could be adapted to develop training programs for financial professionals working in Latin American multinationals. These professionals need current and continuing education to be able to face changing economic and business conditions.LeBlanc (2007) mentions three barriers to internationalization. While these were meant to relate to university faculty, they are applicable to people in charge of training financial professionals in multinational corporations. The barriers are apathy, priority, and isolation.

Apathy discourages trainers from making their best effort to infuse existing courses or develop new ones. This may happen, particularly, if they feel they do not receive enough compensation to motivate them. Priority means that, especially during economic recession times such as the present, international education may not be regarded as important enough in order for necessary improvements to occur.

If people from different departments are used to working in isolation, there is the additional challenge of creating effective cross-functional teams as an essential means for these efforts to be successful and meaningful throughout the entire organization.

The competitiveness of Latin American multinationals increased during the nineties (Martinez, De Souza, & Liu, 2003), and their success continues during the current decade. Their advantages in investing in Latin American countries other than their home arise from different sources such as geographical, cultural, economic, and political similarities. Possible motivations for investing abroad, but within the Latin American region, include finding lower financing costs and growing bigger to avoid being acquired by competitors due to industry consolidation (Alfaro & Hammel, 2006).

Latin American multinationals have had opportunities for expansion arising from their home country's participations in regional free trade agreements. Examples of those trade pacts include the Mercosur – Argentina, Brazil, Paraguay, and Uruguay – and the Andean Pact - Bolivia, Colombia, Ecuador, Peru, and Venezuela. Others do not focus on particular Latin countries but on the region as a whole and grow "pan regionally" or in other regions, such as the United States, Europe, and Asia (Martinez, De Souza, & Liu, 2003). This growth in mergers and acquisitions by Latin American multinationals has enabled them to place 11 companies in the 2009 Fortune 500 ranking (Oxford Analytica, 2010). It is no wonder that Carlos Slim, the Mexican owner of America Movil became the world's richest man, with wealth surpassing that of Bill Gates and Warren Buffet (Miller & Kroll, 2010).

According to the firm Deloitte Touche Tohmatsu (2010), 90 of 172 jurisdictions that they examined require IFRS for companies listed in domestic stock markets, and in 30 additional jurisdictions, IFRS is either allowed or required under certain circumstances. As Latin American multinationals gain a stronger worldwide presence, it will be more necessary for them to have their reporting practices be consistent with IFRS to be able to take advantage of further growth opportunities. The use of these standards calls for a more consistent and comparable way to be accountable to world markets, including investors and lenders, as providers of long-term financing sources, much needed to finance continued business growth. Their financial objectives and reporting practices must be aligned with what is taking place in the global business community. Accounting professionals in their roles as preparers of public reports must develop and implement plans and strategies to acquire knowledge about IFRS, by ensuring proper education and training (Dulitz, 2009). An important step for integrating IFRS in the business curriculum is to have international topics and issues in accounting courses. These international issues must include not only differences in accounting standards but also insights about cultural, economic, and legal-political contexts that help explain these differences (Larson & Brady, 2009).

This type of knowledge is essential for accounting professionals working in Latin American multinationals since these differences must be taken into consideration for engaging in successful global negotiations and transactions and communicating their economic results. However, Latin American's diverse cultural heritage is an important asset and advantage for their professionals who may, as a result, be from a bicultural or multicultural ethnic background. Other types of materials that may be used for individual accounting courses are publications from websites about IFRS and participation in study and work abroad opportunities (Larson & Brady, 2009).

Financial managers and analysts, as users and interpreters of accounting information, must also be acquainted with IFRS. The eventual adoption of IFRS rules or convergence of local accounting principles to IFRS has an impact over financial ratios and metrics that depend on accounting data for performance assessments and financial decision making. This also affects budgets and other reports for internal use (Fabiszak, Feinberg, Jurek, & Sarkissian, 2009). In order to make valid judgments and reach sound conclusions, financial professionals must understand the consequences of differences in accounting standards. IFRS also have an impact over tax compliance for multilatinas doing business in multiple tax jurisdictions. Accounting choices made under international standards have important tax implications which must be considered for tax planning, as well. Tax planning implications include effects over taxable and foreign source income and foreign tax credit and effective tax rate payable from all income sources and accounting for income taxes (McGowan & Wertheimer, 2009).

Other professionals who need, at the very least, basic knowledge about IFRS are bankers, audit committee members (Gannon & Wagner, 2008), and investors. Bankers need it for analysis of loan applications; audit committees, for demonstrating financial statement proficiency; and investors, to make judgments and decisions about their best saving alternatives (Bukics, Masler, & Speer, 2009). The challenges to be met in complying with IFRS should be faced as part of a joint learning effort between multinationals and the academic community (Schott Karr, 2008) in Latin America and other regions.

Individual multinationals and Latin American multinationals must make a cost benefit analysis to attempt to make an optimal transition to and continued use of IFRS. To be successful, companies are advised to make an assessment of the resources they need, including educated professionals, and the risk they may face, in terms of costs. Examples of these costs are costs of resources, time spent, consulting fees, and costs of changing accounting information systems to be able to report in accordance with IFRS (Heffes & de Mesa Graziano, 2007).

METHODOLOGY

The methodology for this investigation discusses sample selection, IFRS readiness measure, and statistical tests. The sample of universities selected for this study was obtained from 2010 Webometrics's World Universities' Ranking on the Web. This database is maintained by the National Research Council of Spain. The goals of the rankings of this database are 1) assessment of higher education web processes and outputs, 2) measurement of volume, visibility, and impact of universities' web pages, 3) powerful information sources, 4) cultural, linguistic, economic, and historic diversity, 5) global coverage. The unit of analysis is institutional domains, or independent web presence, of universities and other higher education institutions. Weighted scores result from the use of four criteria: size (number of pages), visibility (unique external web links), rich files (Adobe Acrobat or PostScript, Microsoft Word, and Microsoft PowerPoint), scholar (papers and citations according to Google Scholar). The weights are 20%, 50%, 15%, and 15% for size, visibility, rich files, and scholar, respectively. Based on the weighted scores, Webometrics publishes the top 100 universities per region (Spain's National Research Council, 2009).

For this paper, the sampling frame included the top 100 rankings for Latin America and United States and Canada, with undergraduate programs with majors in accounting or finance, offering courses in accounting, finance or taxation. A random sample of 30 institutions was taken for each of the two before mentioned regions (60 institutions, in total). The 60 institutions are established in Argentina, Brazil, Chile, Colombia, Mexico, Puerto Rico, United States or Canada. These countries are in different stages of convergence to or adoption of IFRS. Argentina will require public companies to prepare financial statements under IFRS for the year ended December 31, 2012. Voluntary adoption of IFRS should have begun in January 2011 (Deloitte, 2009a).

Brazil planned to make it mandatory for its financial institutions to adopt IFRS in 2010. This adoption process would be a gradual harmonization of accounting and IFRS standards. The mandate recognizes the importance of IFRS to achieve a greater integration of its financial sector into global financial markets and the resulting need to present high quality financial information for world investors to be able to make financial decisions. Compliance with IFRS ensures greater growth opportunities through increased and improved access to global capital markets. The greatest challenges that Brazil, and other Latin American countries may face, include IFRS education and need for changes in organizational culture (Contabilidad y Responsabilidad para el Crecimiento Económico Regional, 2007). Chile was scheduled to begin conversion to IFRS on 2009, expecting to benefit from greater integration to international markets and, consequently, lower costs of capital, because of increased choices of financing opportunities (Contabilidad y Responsabilidad para el Crecimiento Económico Regional, 2009).

In 2009, Colombia approved an act to establish the process of convergence to IFRS. Migration of accounting systems to IFRS was expected to have been under way on 2010, and initial adoption in the preparation financial statements could occur for the year ended December 31, 2013 (Actualicese.com, 2010). Mexico, in turn, decided to make IFRS mandatory beginning in 2012 (Deloitte, 2009b).

Puerto Rico's accounting standards are those of the United States. The United States extended the deadline for mandatory adoption of IFRS by public companies until 2015. In the meantime, it will continue developing a work plan for IFRS adoption (Defelice & Lamoreaux, 2010).

Canada planned full adoption of IFRS to be required of public for-profit businesses by the year 2011 (Deloitte, 2010). The IFRS readiness measure is the percentage of institutions for which evidence was obtained of the existence of some kind of international accounting course. It was also considered whether the institution had an international finance or international taxation course. The information was obtained from course descriptions, lists of courses, or program objectives found on institutional websites. It must be noted that this information was the one most readily available and did not include course syllabi or actual course offerings for specific academic terms. The statistical tests performed were z tests, based on an approximate normal distribution, to test for differences in proportions in two finite populations (Krishnamoorthy & Thomson, 2002). There were two research hypotheses.

Hypothesis 1. The IFRS Readiness in Latin America is different from that of the United States and Canada.

The null hypothesis is that $p_1 = p_2$ where p_1 is the percentage or proportion of institutions from Latin America with an international accounting course and p_2 is the same proportion, but from United States and Canada institutions. Both are measures of IFRS readiness, so that the null hypothesis implies that both regions are "equally" ready for IFRS adoption or convergence. The test for IFRS readiness was done using the STATA statistical package, under the following menu commands: Statistics; Summaries, tables, and tests; Classical test of hypotheses; Two-sample proportion test. STATA reports the results of the two tail test and the one tailed tests with their respective p values (Acock, 2008).

Hypothesis 2. The Global Perspectives measure in Latin America is different from that of the United States and Canada.

A similar test was run for the following null hypothesis: $p_3 = p_4$. The proportion of institutions from Latin America with an international course of accounting, finance or taxation was measured by p_3, while p_4 stood for the corresponding proportion for the United States and Canada. This test intended to measure whether significant differences existed between "international" readiness, through courses with global perspectives, whether or not it they included an international accounting course. The STATA command .prtest was used to compare the IFRS Readiness and the Global Perspective measures for Latin America and the United States and Canada. The value of the z statistic (Park, 2009), for the IFRS Readiness model (IR), is calculated as

$$z_{IR} = \frac{\hat{p}_1 - \hat{p}_2}{\sqrt{\hat{p}_{pooled}\left(1 - \hat{p}_{pooled}\right)\left(\frac{1}{n_1} + \frac{1}{n_2}\right)}} \qquad (1)$$

where

$$\hat{p}_{pooled} = \frac{n_1\hat{p}_1 + n_2\hat{p}_2}{n_1 + n_2} = \frac{y_1 + y_2}{n_1 + n_2} \tag{2}$$

n_1 = the total number of sample institutions from Latin America = 30;
$\hat{p}_1$ = the proportion of sample institutions from Latin America with IFRS Readiness;
y_1 = the number of sample institutions from Latin America with IFRS Readiness;

n_2 = the total number of sample institutions from United States and Canada = 30;
$\hat{p}_2$ = the proportion of sample institutions from United States and Canada with IFRS Readiness;
y_2 = the number of sample institutions from United States and Canada with IFRS Readiness.

Similarly, for the Global Perspectives model (GP),

$$z_{GP} = \frac{\hat{p}_3 - \hat{p}_4}{\sqrt{\hat{p}_{pooled}\left(1 - \hat{p}_{pooled}\right)\left(1/n_3 + 1/n_4\right)}} \tag{3}$$

where

$$\hat{p}_{pooled} = \frac{n_3\hat{p}_4 + n_4\hat{p}_4}{n_3 + n_4} = \frac{y_3 + y_4}{n_3 + n_4} \tag{4}$$

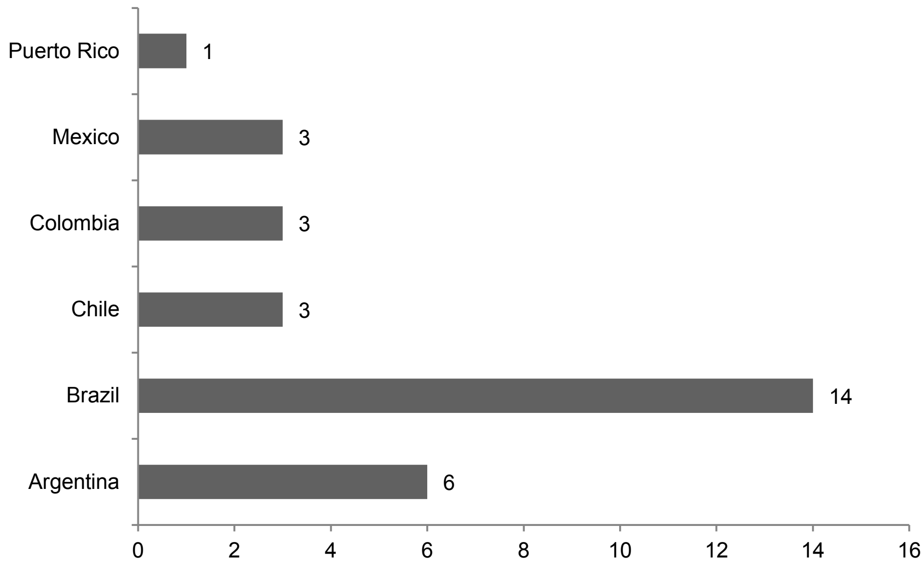
n_3 = the total number of sample institutions from Latin America = 30;
$\hat{p}_3$ = the proportion of sample institutions from Latin America with Global Perspectives;
y_3 = the number of sample institutions from Latin America with Global Perspectives;
n_4 = the total number of sample institutions from United States and Canada = 30;
$\hat{p}_4$ = the proportion of sample institutions from United States and Canada with Global Perspectives;
y_4 = the number of sample institutions from United States and Canada with Global Perspectives.

ANALYSIS AND DISCUSSION OF RESULTS

The descriptive analysis presents the number of institutions per each country represented in the samples, the IFRS Readiness in Curricula, and the Global Perspectives in Curricula, while the inferential analysis summarizes the main findings that are finally discussed. Figure 1 shows the number of institutions per country included in the Latin American random sample. It can be observed that Brazil was the country with most institutions, 14 in total; followed in a distant second place by Argentina with six; then, by Chile, Colombia, and Mexico, with three, each; and, lastly, by Puerto Rico, with one.

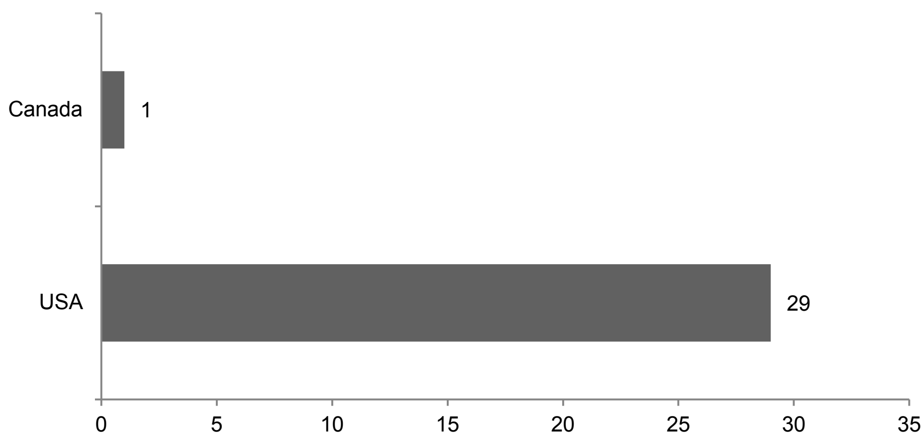
As can be observed from Figure 2, the United States and Canada's random sample only included 1 institution from Canada, so that it can be concluded that the results are really applicable to the United States. Table 1 shows that the IFRS Readiness measures for both – Latin America and the United States and Canada – were no higher than 33%. However, the Global Perspectives Measure for the United States and Canada appeared to be much higher, at 93%.

Figure 1: Number of Institutions per Country in Latin America



This figure shows the number of institutions per Latin American country included in the sample for the IFRS Readiness and Global Perspectives measures. The sample of institutions was randomly selected from 2010 Webometrics's World Universities' Ranking on the Web.

Figure 2: Number of Institutions per Country in United States and Canada



This figure shows the number of United States of America and Canada institutions included in the sample for the IFRS Readiness and Global Perspectives measures. The sample of institutions was randomly selected from 2010 Webometrics's World Universities' Ranking on the Web.

Table 1: IFRS Readiness and Global Perspectives: Latin America vs. United States and Canada

	IFRS Readiness	Global Perspectives
Latin America	23%	33%
USA & Canada	27%	93%

This table shows the percentage of sample institutions for which evidence was obtained of the existence of some kind of international accounting course (IFRS Readiness) or international accounting, finance, or taxation course (Global Perspectives). IFRS Readiness or Global Perspectives was assigned an outcome of "Yes" if evidence of such course(s) was found, "No", otherwise. The sample of institutions was randomly selected from 2010 Webometrics's World Universities' Ranking on the Web. Information for individual institutions was obtained from their web pages.

Table 2 presents the results for the test results for differences in IFRS Readiness between Latin America and the United States and Canada. The observed z test statistic equals 0.30, with a p value of 0.77, which leads to not rejecting the null hypothesis that both proportions are equal.

Table 2: Difference in IFRS Readiness: Latin America vs. United States and Canada

IFRS Readiness	Mean	Standard Error	Test Statistic	P Value
USA & Canada	0.27	0.08		
Latin America	0.23	0.08		
Difference	0.03	0.11		
	Under H_0	0.11	0.30	0.77

The null hypothesis, H_0, is that the proportion for Latin America equals that of the United States and Canada. The results show the proportion's mean value and standard error for the United States and Canada sample, the Latin America sample, and the difference between the two proportions. The last row presents the results of the hypothesis test.

Contrary to the previous test results, the high observed test statistic of 4.82 (p value less than 0.001), in Table 3, suggests the rejection of the null hypothesis that the proportion for Latin America equals that of the United States and Canada. This implies that the difference in the IFRS Readiness measure was not significantly different from zero, while the 0.93 value for the Global Perspectives measure for United States and Canada was significantly higher than that of 0.33 for Latin America.

Table 3: Difference in Global Perspectives: Latin America vs. United States and Canada

IFRS Readiness	Mean	Standard Error	Test Statistic	P Value
USA & Canada	0.93	0.05		
Latin America	0.33	0.09		
Difference	0.60 ***	0.10		
	Under H_0	0.12	4.82	0.00

*The null hypothesis, H_0, is that the proportion for Latin America equals that of the United States and Canada. The results show the proportion's mean value and standard error for the United States and Canada sample, the Latin America sample, and the difference between the two proportions. The last row presents the results of the hypothesis test. ***Results are significant at the 1 percent level.*

The evidence from the hypothesis testing showed a similar IFRS readiness for Latin America and the United States and Canada. Regarding the Global Perspective, both measures were higher since they account for the inclusion in the curricula of international courses that are not necessarily in the accounting discipline. In this area, however, the United States and Canada region appeared to outperform the Latin American region.The answer to the question of whether or not both regions are, indeed, ready for the convergence or adoption of international financial reporting standards depends on the minimum value for the IFRS readiness measure that would be acceptable to reach this conclusion. In a survey conducted in the United States (Munter & Reckers, 2009), 22% of the participants answered that they would significantly incorporate IFRS into the curriculum during the 2008-2009 academic year, while 33% would do so in 2009-2010. These numbers are similar to the ones presented in this research, and the authors are less than satisfied with these findings. If these results are used as benchmark, it could be concluded that neither the curricula in Latin America or the United States are ready for international financial reporting standards. However, it is important to note that this research only considered the evidence of additional courses due to unavailability of information about actual topics covered in courses offered. Thus, an alternative explanation for the apparently low readiness scores is that infusion has occurred, meaning that IFRS topics are covered in different business courses, without necessarily offering separate international courses.

CONCLUSIONS

This study's major findings suggest that Latin America's business curricula may not yet be ready for convergence to or adoption of international financial reporting standards (IFRS). The evidence also implies that the region possibly also needs to improve the global perspective of their curricula in order to adequately prepare professionals to work not only in Latin American multinationals but also in businesses that only operate locally, in the ever-increasing integration of world goods and capital markets.

However, the limitations of this investigation provide opportunities for future research to obtain a deeper understanding of the business curricula strengths and potential shortcomings. These limitations include the following: unavailability of information about actual topics included in course syllabi; sample not large enough to include representation from more Latin American countries; not knowing the actual needs and challenges faced by Latin American multinational international transactions. It is recommended that academics in Latin American countries do a self-assessment of the situation in their home country through the analysis of course syllabi used in local universities. This would address the lack of information and representativeness issues. An additional recommendation for further research is to survey managers of Latin American multinationals to learn what their point of view and perspectives are regarding IFRS readiness and the IFRS competency of the accounting, finance and tax professionals that work in these companies. These professionals, themselves, should also be surveyed to find out in what ways their education has helped them to be effective in their jobs and what they feel they lacked.

Further research about IFRS and their relationship to Latin American multinationals will provide for a deeper understanding of the nature of their international transactions and enable them to ensure access to global capital markets, at the lowest possible costs. This will ultimately result in more transparent financial reporting and more value for managers, investors, creditors, and individual Latin American societies.

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