

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

WEST UKRAINIAN NATIONAL UNIVERSITY

APPROVED

Director of Bohdan Havrylyshyn  
Education and Research Institute of  
International Relations



*Iryna Ivashchyk* Iryna Ivashchyk

*31.08* 2023

APPROVED

Interim Vice-Rector  
for Academic Affairs and Research



*Victor Ostroverkhov* Victor Ostroverkhov

*31.08* 2023

COURSE OUTLINE

"Accounting and Taxation of International Companies' Activities"

Degree of higher Education – Master's degree

Field of knowledge – 07 Management and Administration

Specialty – 073 Management

Educational and scientific program – International Management

Department of Accounting and Taxation

| Form of study | Study year | Term | Lectures (hrs.) | Practical (hrs.) | ISW (hrs.) | Training, CPIT (hrs.) | Self-study work (hrs.) | Total (год.) | Credit (sem.) |
|---------------|------------|------|-----------------|------------------|------------|-----------------------|------------------------|--------------|---------------|
| Full-time     | 2          | 3    | 26              | 26               | 5          | 8                     | 85                     | 150          | 3             |

Ternopil – WUINU

2023

Course outline has been prepared by **Oleg Shevchuk**, Ph.D., Associate professor of the Department of Accounting and Taxation.

Course outline has been approved at the Meeting of Accounting and Taxation Department, (protocol №1, 28.08.2023).

Interim Head of Department

Doctor of Economics, Professor



**Zenovii-Mykhailo Zadorozhnyi**

Reviewed and approved by the support group of the specialty 073 Management (protocol №1, 31.08.2023)

Head of the specialty support group

Doctor of Economics, Professor



**Mykhailo Shkilniak**

Guarantor of the ESP



**Tetiana Dluhopolska**

**STRUCTURE OF COURSE OUTLINE**  
**"Accounting and Taxation of International Companies' Activities"**

**Description of the discipline "Accounting and Taxation of International Companies' Activities"**

| <b>Discipline - "Accounting and Taxation of International Companies' Activities"</b> | <b>Branch of knowledge, educational qualification, speciality</b> | <b>Description of the discipline</b>   |
|--|---|--|
| <b>ECTS credits - 5</b>  | Branch of knowledge –07<br>Management and Administration          | Elective discipline<br>Language of Instruction - English   |
| <b>Amount of credit modules - 3</b>  | Specialty – 073 Management  | Year of study<br>Full-time – 2<br>Term<br>Full-time - 3  |
| <b>Amount of content modules - 2</b>   | Educational qualification –<br>Master degree                      | <b>Lectures</b><br>Full-time – 26 academic hours<br><b>Practical classes</b><br>Full-time – 26 academic hours                                    |
| <b>Amount of academic hours Full-time - 150</b>                                      |   | <b>Students' self-studies</b><br>Full-time – 85 academic hours<br>Training, CPIT – 8 academic hours<br><b>Individual work</b> – 5 academic hours |
| <b>Academic hours per week – 11 including face-to-face classes - 4</b>               |   | <b>Type of final control - credit</b>  |

**2. Objective and tasks of the discipline "Accounting and Taxation of International Companies' Activities"**

**2.1. Aim of studying the discipline**

The aim of studying is systematizing existing theoretical materials, summarizing regulatory documents on the organization and methodology of Accounting and Taxation of International Companies' Activities; formation of a system of theoretical and practical knowledge in Accounting for international financial and economic operations and the ability to use accounting information in managing the activities of international companies.

**2.2. Tasks of the discipline**

Studying the methods and technology of the most common financial and economic operations applied in international relations of international companies; acquisition of skills in documentary support and reflection of international companies' activities in the system of accounting accounts.

**3. Content of the discipline "Accounting and Taxation of International Companies' Activities"**  
**Content Module 1. Accounting and Reporting of International Companies' Activities**

**Topic 1. Activity of international companies as an object of accounting**

The core essence of international companies. Role and tasks of accounting in managing the activities of international companies. General concepts of the activities of international companies and their types. Legal support of the activities of international companies. Procedure for conclusion and execution of contracts in international activities.

### **Topic 2. Role of accounting in the international economy**

The essence of international accounting. Problems of international accounting. Main tasks of accounting in the activities of companies at the international level. Concepts of international accounting standards (IFRS) and their practical application in international economic activities.

### **Topic 3. Accounting for operations in foreign currency**

Concept of foreign currency. Classification of foreign currency. Foreign exchange markets. Currency exchange rate risk. Accounting for operations in foreign currency. Hedging. Currency forwards and options. Accounting for hedging instruments. Cash flow hedging and fair value hedging.

### **Topic 4. Translation of financial statements into foreign currency**

Basic provisions of preparing financial statements in foreign currency. Conceptual issues of translating indicators into the currency of financial statements. Methods of translating financial statements. Methods of translating currency exchange rates based on US GAAP, IFRS, and other standards related to currency translation. Experience of EU countries in translating financial statements.

### **Topic 5. Other aspects of forming financial statements in foreign currency**

Methods of accounting for price changes (inflation). Features of inflation accounting in different countries. Hyperinflation under IFRS. Rules provided in international financial reporting standards (IFRS) related to the formation of financial statements in foreign currency. Accounting for business combinations and preparation of consolidated financial statements. Approaches used at the international level to address issues related to accounting for combinations. International approaches to segment reporting.

## **Content Module 2. Taxation and Accounting of Settlement Operations**

### **Topic 6. International Taxation**

Differences in taxation and tax regimes in different countries. Harmonization of national tax systems. Experience of EU countries in harmonizing tax systems. Essence of double taxation. Taxation of foreign income. Rules related to controlled foreign corporations and their impact on taxation of foreign source income. Translation of foreign currency for tax purposes. Tax incentives provided by countries to attract foreign direct investment and stimulate exports. Taxes and international business decisions. Differences in national corporate taxes and tax regimes. Transfer pricing rules. Thin capitalization rule. Exchange of tax information.

### **Topic 7. Accounting for Settlements for Foreign Business Trips**

Concept of a foreign business trip. Procedure for receiving funds and their accounting. Essence of a business foreign trip. Documentary registration of business trips. Procedure for calculating the duration of a business trip. Reporting and reimbursement procedures based on documents. Specific aspects of business trips related to certain special professional assignments and trips abroad.

### **Topic 8. Accounting for Barter Transactions**

Concept of barter transactions and their history. Advantages and disadvantages of barter transactions. Types of barter transactions. Barter strategies. Accounting and taxation of barter transactions and processing operations in customs territory. Accounting for barter transactions. Accounting for international barter transactions. Accounting for processing operations in customs territory and beyond customs territory. Accounting for other types of barter transactions.

**4. Structure of the credit score for the discipline "Accounting and Taxation of International Companies' Activities"**

|   | Lectures  | Practical classes | Trainings CPIT | Self-studies | IWS      | Control measures   |
|---|-----------|-------------------|----------------|--------------|----------|--------------------|
| <b>Content module 1</b>   |           |                   |                |              |          |                    |
| <b>Topic 1. Activity of international companies as an object of accounting</b>                                | 2         | 2                 | 2              | 10           | -        | Interrogation      |
| <b>Topic 2. Role of accounting in the international economy</b>   | 2         | 2                 |                | 11           | -        | Standardized tests |
| <b>Topic 3. Accounting for operations in foreign currency</b>   | 4         | 4                 | 2              | 11           | -        | Calculation tasks  |
| <b>Topic 4. Translation of financial statements into foreign currency</b>                                     | 4         | 4                 |                | 11           | 1        | Calculation tasks  |
| <b>Topic 5. Other aspects of forming financial statements in foreign currency</b>                             | 4         | 4                 |                | 11           | 1        | Interrogation      |
| <b>Content module 2</b>   |           |                   |                |              |          |                    |
| <b>Topic 6. International Taxation Differences in taxation and tax regimes in different countries.</b>        | 4         | 4                 | 2              | 10           | 1        | Standardized tests |
| <b>Topic 7. Accounting for Settlements for Foreign Business Trips<br/>Concept of a foreign business trip.</b> | 2         | 4                 |                | 11           | 1        | Calculation tasks  |
| <b>Topic 8. Accounting for Barter Transactions</b>  | 4         | 2                 |                | 10           | 1        | Interrogation      |
| <b>Total</b>  | <b>26</b> | <b>26</b>         | <b>8</b>       | <b>85</b>    | <b>5</b> |                    |

**5. Practical tasks topics**

**Practical task 1**

Topic: Activity of International Companies as an Object of Accounting

Objective: While studying this topic, students should grasp the concepts and essence of international companies' activities, their types; peculiarities of regulatory framework and accounting of operations in the sphere of international companies' activities; procedures for registering international companies; essence and peculiarities of licensing and quota allocation for international companies' activities.

Topics for discussion:

1. Types of activities of international companies.
2. Specifics and objectives of accounting for international companies' activities.
3. Legal framework for international companies' activities.
4. Procedures for registering international companies.

### **Practical task 2**

Topic: Significance of Accounting in the International Economy

Objective: To introduce the concept of international accounting and its components. Discuss the nature and scope of international accounting; explore accounting issues faced by companies involved in international trade (import and export operations). Explain the reasons and issues related to accounting for foreign investments. Explain the concept of global accounting standards (IFRS). Topics for discussion:

1. Understanding of international accounting.
2. Main objectives of accounting in companies' international activities.
3. Concept of international accounting standards and their practical application.

### **Practical tasks 3-4**

Topic: Accounting for Foreign Currency Operations

Objective: To familiarize with the concept of currency markets. Investigate the reasons and risks of currency exchange rate fluctuations. Study the methodology of accounting for foreign currency operations. Understand the concept of hedging as a means of risk reduction through entering into opposite contracts. Discuss currency forwards and options. Study the accounting of hedging instruments. Understand the essence and practical application of cash flow hedging and fair value hedging.

Topics for discussion:

1. Currency markets.
2. Currency exchange rate risk.
3. Accounting for foreign currency operations.
4. Hedging.
5. Currency forwards and options.
6. Accounting of hedging instruments.
7. Cash flow hedging and fair value hedging.

### **Practical tasks 5-6**

Topic: Translation of Financial Statements into Foreign Currency

Objective: To study the basic principles of preparing financial statements in foreign currency. Investigate conceptual issues of translating foreign currency into the currency of financial statements. Study methods of translating financial statements. Methods of translating currency exchange rates based on US GAAP, IFRS, EU experience, and other standards related to currency translation.

Topics for discussion:

1. Basic principles of preparing financial statements in foreign currency.
2. Conceptual issues of translating foreign currency into the currency of financial statements.
3. Methods of translating financial statements.
4. Methods of translating currency exchange rates based on US GAAP, IFRS, and other standards.

### **Practical tasks 7-8**

Topic: Other Aspects of Forming Financial Statements in Foreign Currency

Objective: To explain the concepts underlying the two methods of inflation accounting - purchasing power and current cost accounting. Investigate the specifics of inflation accounting in different countries, as well as rules provided in international financial reporting standards (IFRS) related to this issue. Study issues related to accounting for business combinations and preparation of consolidated financial statements. Analyze approaches used at the international level and in EU countries to address issues related to accounting for combinations, focusing on IFRS requirements. Examine segment reporting requirements according to IFRS.

Topics for discussion:

1. Inflation accounting - purchasing power and current cost accounting.
2. Inflation accounting - differences in standards worldwide.
3. Business combinations and consolidated financial statements.
4. International approaches to accounting for group of companies.
5. International approaches to segment reporting.

### **Practical task 9-10**

Topic: International Taxation

Objective: Understand the differences in taxation and tax regimes in different countries.

Familiarize with the concept of double taxation. Understand how foreign tax credits reduce double taxation. Study how rules related to controlled foreign corporations impact taxation of income from foreign sources. Understand the benefits provided by tax treaties. Explain and demonstrate procedures for transferring amounts in foreign currency for tax purposes. Describe tax incentives provided by countries to attract direct foreign investments and stimulate exports.

Topics for discussion:

1. Taxes and international business decisions.
2. Differences in national corporate taxes and tax regimes.
3. Double taxation.
4. Foreign tax credits.
5. Controlled foreign corporations and their taxation.
6. Tax treaties.
7. Conversion of foreign currency for tax purposes.
8. Tax incentives.

### **Practical task 11-12**

Topic: Accounting for Settlements of Foreign Business Trips

Objective: Familiarize with the concept of foreign business trips. Understand the procedure for obtaining and accounting for cash funds. Understand the essence of a business trip. Study the procedure for calculating the duration of a business trip. Study reporting and reimbursement procedures according to documents. Master specific aspects of business trips related to certain special professional trips and trips abroad.

Topics for discussion:

1. Concept of foreign business trips.
2. Documentary formalization of business trips.
3. Specifics of issuing advances for business trips.
4. Accounting for operations related to foreign trips.

### **Practical task 13**

Topic: Accounting for Barter Transactions

Objective: Familiarize with the concept of barter transactions, their regulation by current legislation, study the specifics of documentary formalization, taxation, and accounting for barter transactions. Study types and specifics of barter transactions. Master the specifics of regulatory regulation of transactions with raw materials in different customs regimes; understand the procedure for documentary formalization, taxation, and accounting of operations in the processing of raw materials. Topics for discussion:

1. Concept and history of barter transactions.
2. Advantages and disadvantages of barter transactions.
3. Types of barter transactions. Barter strategies.
4. Accounting for barter transactions.
5. Accounting for international barter transactions.
6. Accounting for operations with processing on customs territory and beyond customs territory.

## **6. Complex Practical Individual Task**

The aim of the Complex Practical Individual Task (CPIT) is to assist students in the practical application of knowledge and skills in international affairs and to contribute to the understanding of financial risk assessment and profitability of international projects or sales for future managers, financial directors, managers, controllers, and accountants of commercial companies.

CIPT consists of three parts: the first contains the typical financial statements of an international company. The second and third parts contain questions to which students must provide answers to assess the activities of the international company and evaluate its prospects at the international level.

An approximate structure of the presentation based on a specific international company (McDonald's, KFC, Burger King, Pizza Hut, 7 Eleven, Marriott International, SUBWAY®, The Walt Disney Company, Iconix Brand Group, PVH Corp., Universal Brand Development...) includes:

- General business overview of the company: type of activity, business type (products), number of employees, company structure, number of international divisions;
- General overview of the company's foreign economic activity: export, import, foreign investments, foreign capital, etc.;
- General overview of the company's financial statements;
- General overview of the company's corporate reporting;
- Evaluation of the company's market development prospects;
- Evaluation of the company's tax characteristics;
- Formulation of recommendations and one's own vision for the company's development.
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## **7. Students' self-studies**

Independent work of students involves studying recommended literature in English, working with lecture notes in English, and studying the legislative framework regulating the accounting and taxation of international companies in English.

| №   | Topics of the trainings   |
|-----|---|
| 1.  | Definition of international accounting  |
| 2.  | Accounting for foreign currency transactions                                      |
| 3.  | Foreign exchange risk & Hedging. Accounting for hedges                            |
| 4.  | Conceptual issues & Methods of foreign currency financial statements translation. |
| 5   | Inflation accounting  |
| 6.  | Business combinations and consolidated financial statements (group accounting)    |
| 7.  | Tax Jurisdiction and Double Taxation. Foreign tax credits                         |
| 8.  | Tax treaties & Tax incentives   |
| 9.  | International approaches to segment reporting                                     |
| 10. | Accounting of countertrade  |
| 11. | Accounting for business trips   |

## **8. Trainings**



Completing the training task involves researching the financial statements of a specific international company (data analyzed based on open sources) and comparing the results of its activities with similar companies in the region, industry, country, or competitors in a specific market segment. Drawing conclusions based on the results of the analysis.

### 9. Assessment Tools and Methods of Demonstrating Learning Outcomes

- In the process of studying the discipline "Accounting and Taxation of International Companies," the following assessment tools and methods of demonstrating learning outcomes are used:
- Current quizzes;
- Modular testing and quizzes;
- Analytical reports;
- Calculation and calculation-graphic works;
- Presentations of the results of tasks and research;
- Evaluation of the results of CIPA;
- Student presentations and speeches at scientific events;
- Module works.

### 10. Criteria, Forms of Current and Final Control

The final grade (on a 100-point scale) for the discipline "Accounting and Taxation of International Companies" is determined as the weighted average value, depending on the weight of each component of the credit:

| Credit module 1  | Credit module 2  | Credit module 3   |
|--|--|---|
| 30%  | 40%  | 30%   |
| Oral discussion (topics 1-4) - 10 grades per topic – max. 40 grades<br>Module test (topics 1-4) – max. 60 grades | Oral discussion (topics 5-8) - 10 grades per topic – max. 40 grades<br>Module test (topics 5-8) – max. 60 grades | CPIT preparing – max. 40 grades<br>CPIT defending – max. 40 grades<br>Participation in trainings – max. 20 grades |

#### Assessment scale

| University scale | National scale      | ECTS                                       |
|------------------|---------------------|--|
| <b>90-100</b>    | <b>excellent</b>    | <b>A (excellent)</b>                       |
| <b>85-89</b>     | <b>good</b>         | <b>B (very good)</b>                       |
| <b>75-84</b>     | <b>good</b>         | <b>C (good)</b>                            |
| <b>65-74</b>     | <b>satisfactory</b> | <b>D (satisfactory)</b>                    |
| <b>60-64</b>     | <b>satisfactory</b> | <b>E (sufficient)</b>                      |
| <b>35-59</b>     | <b>fail</b>         | <b>FX (fail, possibility of repassing)</b> |
| <b>1-34</b>      | <b>fail</b>         | <b>F (fail, mandatory retake course)</b>   |

### 11. Tools, Equipment, and Software Used in the Course

| № | Name  | Topic Number |
|---|---|--------------|
| 1 | Electronic version of lectures, PowerPoint Presentation                     | 1-8          |
| 2 | Individual tasks for independent execution (electronic version) using Excel | 1-8          |
| 3 | Presentations using multimedia technology                                   | 1-8          |
| 4 | Open Internet sources for analysis of company activities                    | 1-8          |

## RECOMMENDED SOURCES OF INFORMATION

1. Aiming for Global Accounting Standards / Kees Camfferman, Stephen A. Zeff. - Oxford University Press, 2015 - Business & Economics - 728 p.
2. Financial Accounting: An International Introduction 6th Edition / David Alexander, Christopher Nobes. – Pearson Higher Education. 2016. 496 p.
3. International Accounting 4th Edition / Timothy Douppnik, Hector Perera. McGraw-Hill Education; 2015. - 800 p.
4. International Financial Accounting and Reporting / Ciaran Connolly: Chartered Accountants Ireland; 5th Revised edition edition, 2015. 1088 p.
5. International Financial Reporting: A Practical Guide / Alan Melville. - Publisher: Pearson Education Limited; 5 edition, 2015 . 512 p.
6. Introduction to Financial Accounting: Pearson New International Edition / 11th Edition / Charles Horngren, Gary Sundem, John Elliott, Donna Philbrick, 2013. 544 p.
7. Rathore Shirin. International Accounting. PHI Learning Pvt Ltd. 2019. 506 p.
8. Білопольський М. Г. Облік та аналіз зовнішньо-економічної діяльності підприємств / М. Г. Білопольський, К. Г. Ревва, О. В. Балашова. - Маріуполь: ДВНЗ «ПДТУ», 2013. 271 с.
9. Крисоватий А.І., Панасюк В.М., Мельничук І.В., Бурденюк Т.Г. Міжнародні стандарти обліку та звітності: навч.посіб. Тернопіль: ЗУНУ, 2021. 580 с.
10. Лучко М.Р., Бенько І.Д. Яцишин С.Р., Мельник Н.Г. Міжнародні стандарти бухгалтерського обліку та фінансової звітності: навч.посіб. Тернопіль: Економічна думка, 2018. 390 с.
11. Горбач Л. М., Плотніков О. В. Міжнародні фінанси: підручник. К.: Видавничий дім «Кондор», 2019. 528 с.
12. Міжнародні економічні відносини та зовнішньоекономічна діяльність: навч. посібник / Т. О. Зінчук, О. Д. Ковальчук, Н. М. Куцмус [та ін.] ; за ред. Т. О. Зінчук. К.: Центр учбової літератури, 2017. 513 с.
13. Облік зовнішньоекономічної діяльності : навчальний посібник / за заг. ред. С. О. Кузнецова, – Х. : Видавництво Іванченко І. С., 2019.
14. Облік і оподаткування зовнішньоекономічної діяльності: навч. посіб. / М.М. Танасієва. Чернівці : Технодрук, 2021. 100 с.
15. Облік зовнішньоекономічної діяльності : Навчальний посібник / Лучко М.Р., Мельник Н.Г., Сісюк С.В. Тернопіль.: ТНЕУ: Економічна думка, 2018. 340 с.
16. Чернишова Л. О. Зовнішньоекономічна діяльність підприємства : практикум: навч. посібник / Л. О. Чернишова, В. О. Козуб, Л. Л. Носач, К. Ю. Величко, О. І. Печенка. Х. : «Видавництво «Форт», 2017. 238 с.