Stacey Sutay

Subject:

FW: Comment on File Reference No. 1200-400

Letter of Comment No: 8 File Reference: 1200-400 Date Received: 03-/9-04



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----Original Message----

From: Yan Shen [mailto:yshen@horizon.csuhayward.edu]

Sent: Thursday, March 18, 2004 7:35 PM

To: Director - FASB

Cc: dsatin@csuhayward.edu

Subject: Comment on File Reference No. 1200-400

Dear Director:

My name is Yan Shen. I am an MBA student in California State University, Hayward. Currently, I am taking an accounting theory class. Few days ago, I read the exposure draft of Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3. I am in favor of this exposure draft. I think that the intent of this exposure draft is to improve the comparability of financial statement between period represented by requiring retrospective application of all comparative financial statements when reporting most accounting changes. This improvement can provide more relevant financial information to investors and help them to understand financial information more easily. Also, the changes in this proposed statement would improve the quality of financial reporting and achieve more comparability in cross-border financial reporting through a single set of high-quality accounting standards.

Although the cost involved in retrospective application is high, the benefits from more comparable information will outweigh the cost. This exposure draft is trying to unify the U.S GAAP and IAS 8 so that the number of reconciling items between U.S. GAAP and IFRS will be reduced. Furthermore, I believe that the exposure draft will satisfy investors', creditors' and other users' needs. The change can provide them more valuable and relevant financial information. These relevant financial information can help them to make a right decision, thereby facilitating the function of markets for capital and credit and the efficient allocation of resource in the economy.

Sincerely,

Yan Shen