

Stacey Sutay

Subject: FW: Comment on File Reference No. 1200-400

Letter of Comment No: 7
File Reference: 1200-400
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-----Original Message-----

From: Yun Xu [mailto:yxu2@horizon.csuhayward.edu]
Sent: Thursday, March 18, 2004 7:36 PM
To: Director - FASB
Cc: dsatin@csuhayward.edu
Subject: Comment on File Reference No. 1200-400

Dear MP&T Director:

I am a MBA student at California State University in Hayward. I am currently taking the class of Seminar in Accounting and Auditing Theory. I am writing to comment on certain aspects of the above-referenced exposure draft of proposed statement of Financial Accounting Standards, dated December 15, 2003, which is Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3.

I agree with the provisions of this proposed Statement. With the increased globalization and integration of economic activity, it becomes more and more important to develop a single set of high quality global accounting standard that requires transparent and comparable information to help world's capital markets investors to make investment decisions. It will also lower multinational corporations' costs of capital. The changes in this proposed statement would increase convergence with the proposed international financial reporting standards. They 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. This proposed Statement would improve comparability of financial information between periods presented by requiring retrospective application of all comparative financial statements when reporting most accounting changes. Therefore, I strongly believe that this exposure draft will make accounting better, for both investors and corporations (especially multinational corporations).

Although there will be costs involved in retrospective application related to accounting changes, I believe that the benefits of more comparable information for comparative financial statements will outweigh any effort that would be required on the part of preparers. Furthermore, this statement will reduce the number of reconciling items between U.S. GAAP and IFRS, which should reduce the costs of an entity that is required to file a reconciliation from IFRS to U.S. GAAP. I also believe the proposed standard will fill the significant need by investors, creditors and users of financial information. They will benefit from improvements in financial reporting by getting more transparent and comparable information to make decisions, thereby facilitating the functioning of capital markets.

I appreciate this opportunity to comment on this exposure draft.

Sincerely,

Yun Xu