

Stacey Sutay

Letter of Comment No: 6
File Reference: 1200-400
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Subject: FW: opinion on Accounting Changes and Error Corrections



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-----Original Message-----

From: Nan Li [mailto:nli2@horizon.csuhayward.edu]
Sent: Thursday, March 18, 2004 10:20 PM
To: Director - FASB
Cc: dsatin@csuhayward.edu
Subject: opinion on Accounting Changes and Error Corrections

Nan Li
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Union City, CA 94587

Director of Major Projects and Technical Activities
File Reference No. 1200-400
Financial Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7, P.O. Box 5116
Norwalk, Connecticut 06856-5116

March 18, 2004

Dear Sir/Madam,

I'm a MBA student in Cal State Hayward. I'm taking the Seminar in Accounting and Auditing Theory class this quarter with Professor Diane Satin. In this class, we have learned a lot of accounting theories and controversial issues in today's accounting practice. All my accounting classes I took before were to teach me how to do a good accountant and how to comply with the accounting rules, while the classes has taught me to think deeply about accounting rules and kept a questioning attitude to controversial issues, rules and regulations. In this letter, I would like to give some my opinions on the exposure draft of Accounting Changes and Error Corrections regarding a replacement of APB Opinion No. 20 and FASB Statement NO. 3. I agree on this proposed statement very much. I believe the primary advantage of the draft lies on its improving comparability of financial statement--improving the comparability of financial in cross-border financial reporting and between period financial reporting when account change happened. I prefer to any proposed statements, which can improve the comparability in international financial reporting. The globalization is the trend our economy. I believe the draft will improve the global business not only for the United Statement. This statement will reduce the work for reconciling items between U.S. GAAP and IFR. Also I believe that the main beneficiary of the proposed statement is potential investor. They want to know the companies' financial trend and potential, but accounting changes make the financial analysis of companies difficult. The 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, the potential investor will get big benefit from that retrospective financial statement that the company provided under the draft and make a relative reasonable decision on their investment.

Sincerely,

Nan Li