Woodbury University

VIA Electronic Mail (director@fasb.org)

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Technical Director Financial Accounting Standards Board 401 Merritt 7, P. O. Box 5116 Norwalk, CT 06856-5116 File Reference: No. 1820-100

Dear Board Members and FASB Staff:

Thank you for allowing me to comment on the Proposed Accounting Standards Update Topic 605, *Revenue Recognition: Revenues from Contracts with Customers*. The Proposed Update to clarify the principles for revenue recognition and develop a converged revenue standard for U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) will be promulgated by the International Accounting Standards Board (IASB).

The central argument reverts back to the distinction between the US GAAP being rules based and the IASB's IFRS being principals based. Although rules based guidelines have been correctly criticized for sometimes being manipulated and not always being relevant for a particular situation, principals based is open to subjective biases. The question becomes which is more likely to create consistently comparable financial statements. Accordingly, although the information created using principals may be more relevant, rules based may be more reliable, and if one is forced to choose between relevance and reliability the account should opt for reliability leaving the decision maker to interpret the data given full disclosure of how such information was created.

Sincerely

Robert C. Jinkens

Ashley W. Burrowes PhD. CPA (CA & HI) Member California CPA Society Professor of Accounting Woodbury University Robert.jinkens@woodbury.edu