

**Stacey Sutay**

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Letter of Comment No: 13  
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**Subject:** FW: Comment on Exposure Drafts (File Reference 1200-400)



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

From: Pao-Wen Chiu [mailto:pchiu@horizon.csuhayward.edu]  
Sent: Friday, March 19, 2004 1:55 PM  
To: Director - FASB  
Cc: dsatin@csuhaywaed.edu  
Subject: Comment on Exposure Drafts (File Reference 1200-400)

To whom it may concern:

My name is Pao-Wen Chiu, a MBA student with concentration in Accounting at California State University, Hayward. I recently attended an accounting theory class and read about an Exposure Draft, "Accounting Changes and Error Corrections—a replacement of APB Opinion No. 20 and FASB Statement No. 3." As an international student with international background, I think it is a good sign that the differences between U.S. GAAP and GAAP of other countries will be reduced. I support this Exposure Draft. The reasons are as follows:

This proposed Statement would make financial statements issued in the United States become more understandable for the foreign country's users. With the increasing of the global economy, the number of non-US companies listed on the New York Stock Exchange has increased significantly in recent years and many US companies have listed their shares on foreign exchanges. Thus, it is important that the international companies should make their financial statements understandable to users all over the world.

This proposed Statement would increase the comparability between the financial statements issued in the United States and other countries. The reason for this is that the accounting information is more useful when it is more related to a benchmark or standard. Thus, the international users could gain more useful information by comparing with the data under the same standard all over the world.

The proposed Statement would make the financial information for the same company become more consistent. Under APB20, only certain specific changes in accounting principles are required restatement of financial statements presented for prior years, otherwise, the changes should be reported in income statement as the cumulative effect of the change in the current year with no restatement of the prior years' figures. In my opinion, it is easy to confuse the users. Under the new rule, except in determining impracticability, the changes in the accounting principle is required to be restated in financial statements presented for prior years. This major change in the proposed Statement would simplify and unify the rules.

I believe this proposed Statement is a big step for convergence of global accounting standards, improvement accounting guidance, and provision of more useful and comparable information to international users. Also, I am glad to see that the differences between U.S. GAAP and International Accounting Standard diminish gradually. Thus, I support this proposed Statement.

Thank you very much for your time.

Sincerely,

Pao-Wen Chiu