DECA

BUSINESS FINANCE SERIES EVENT

CAREER CLUSTER
Finance

CAREER PATHWAY
Corporate Finance

INSTRUCTIONAL AREA
Professional Development

PARTICIPANT INSTRUCTIONS

This event is presented to you through your review of the Career Competencies, Performance Indicators and Event Situation.

You have up to 10 minutes to review this information and prepare your presentation. Using the materials provided, you may make notes to use during your presentation.

You will have up to 10 minutes to present to the judge(s).

You will be evaluated on your solution to the event situation, how you incorporate the performance indicators of this event and how you demonstrate the career competencies.

Turn in all your notes and event materials when you have completed the event.

SOLUTION

- Unique – Demonstrate original thinking, fresh perspectives and an insightful approach.
- Practical – Develop an actionable/viable solution in a real-world context.
- Effective – Develop a solution that achieves relevant outcomes.

CAREER COMPETENCIES

- Critical Thinking – Think critically to understand and solve problems.
- Communication – Communicate clearly, effectively and with reason.
- Decision Making – Consider the impacts of decisions.

PERFORMANCE INDICATORS

- Explain the nature of accounting standards.
- Discuss the roles and responsibilities of accounting-standards-setting bodies (i.e., SEC, FASB, IASB, GASB).
- Compare U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).
- Organize information.
- Select and use appropriate graphic aids.

EVENT SITUATION

You are to assume the role of a financial analyst for GATEWAY AIRLINES. The recently hired chief financial officer (judge) wants you to explain the accounting standard setting bodies as well as the differences between GAAP and IFRS.

GATEWAY AIRLINES is a recent registrant on the Securities and Exchange Commission (SEC) as the company conducted an initial public offering (IPO) two months ago. The chief financial officer (judge) has never worked for a publicly traded company and has questions. The chief financial officer (judge) wants you to explain the accounting standard setting bodies as well as the differences between GAAP and IFRS.

You must:

- Discuss the different accounting standard setting bodies and how each plays a role in ensuring the data used by stakeholders is accurate and reliable.
- Provide a table comparing U.S. Generally Accepted Accounting Principles (GAAP) to the International Financial Reporting Standards (IFRS).
- Summarize how the accounting standard setting bodies and the use of U.S. GAAP (or IFRS) impacts the company and its stakeholders.

You will provide the information to the chief financial officer (judge) in a role-play to take place in the chief financial officer's (judge's) office. The chief financial officer (judge) will begin the role-play by greeting you and asking to hear the information. After you have presented the information and have answered the chief financial officer's (judge's) questions, the chief financial officer (judge) will conclude the role-play by thanking you for your work.

JUDGE INSTRUCTIONS

JUDGE CHARACTERIZATION

You are to assume the role of the recently hired chief financial officer for GATEWAY AIRLINES. You want the financial analyst (participant) to explain the accounting standard setting bodies as well as the differences between GAAP and IFRS.

GATEWAY AIRLINES is a recent registrant on the Securities and Exchange Commission (SEC) as the company conducted an initial public offering (IPO) two months ago. You have never worked for a publicly traded company and have questions. You want the financial analyst (participant) to explain the accounting standard setting bodies as well as the differences between GAAP and IFRS.

The financial analyst (participant) must:

- Discuss the different accounting standard setting bodies and how each plays a role in ensuring the data used by stakeholders is accurate and reliable.
- Provide a table comparing U.S. Generally Accepted Accounting Principles (GAAP) to the International Financial Reporting Standards (IFRS).
- Summarize how the accounting standard setting bodies and the use of U.S. GAAP (or IFRS) impacts the company and its stakeholders.

The participant will provide information to you in a role-play to take place in your office. You will begin the role-play by greeting the participant and asking to hear the information.

During the course of the role-play, you are to ask the following questions of each participant:

1. What are some of the biggest impacts from being a recent registrant on the SEC and going public?
2. How do you plan for monitoring new standards?

Once the financial analyst (participant) has presented the information and has answered your questions, you will conclude the role-play by thanking the financial analyst (participant) for the work.

You are not to make any comments after the event is over except to thank the participant.

SOLUTIONS

Standard setting bodies:
Securities and Exchange Commission (SEC): The primary role of the SEC is to regulate public capital markets (for U.S. GAAP registrants).

Key responsibilities
- Statutory authority (from U.S. securities laws) to prescribe the form and content of financial statements for registrants (public companies and other issuers that file with the SEC).
- Historically has recognized FASB as the primary private-sector standard setter for U.S. GAAP for public companies, while retaining ultimate authority.
- Issues Regulation S-X (financial statement rules) and Regulation S-K (nonfinancial and narrative disclosures), plus interpretive releases and staff guidance that affect reporting.
- Reviews filings (e.g., through the Division of Corporation Finance), issues comment letters, and can pursue enforcement actions for materially misleading reporting or inadequate disclosure.

Financial Accounting Standards Board (FASB): The primary role of FASB is to determine and write the applicable rules that make-up U.S. GAAP for non-governmental entities.

Key responsibilities
- Creates and updates the Accounting Standards Codification (ASC), including recognition, measurement, presentation, and disclosure requirements for U.S. GAAP.
- Uses a formal process (agenda decisions, discussion papers, exposure drafts, public comment, roundtables, board deliberations) to develop standards intended to be decision-useful for investors and other users.
- Clarifies and improves GAAP over time (e.g., narrow-scope amendments, technical corrections) and responds to emerging issues.
- Works with other bodies (including IASB) to improve comparability where feasible.
- Provides educational materials and transition guidance (though it does not “enforce” GAAP).

International Accounting Standards Board (IASB): The primary role of the IASB is to determine and write global standards for the International Financial Accounting Standards (IFRS), aiming for international comparability.

Key responsibilities
- Creates and updates IFRS requirements that govern financial reporting for entities in IFRS-adopting jurisdictions (commonly public companies, depending on local law).
- Promotes consistent, high-quality international financial reporting to support cross-border investing and capital markets.
- Similar to FASB—public consultation, exposure drafts, comment letters, fieldwork, and transparent board deliberations.
- Addresses application questions and helps reduce diversity in practice.
- Coordinates with securities regulators and local standard setters to support implementation and consistent application.

Governmental Accounting Standards Board (GASB): The primary role of the GASB is the specialization in U.S. standard setting for state and local governmental accounting, with reporting objectives different from for-profit business reporting.

Key responsibilities

- Establishes standards for governmental financial reporting (e.g., fund accounting, government-wide financial statements, pensions, budgetary reporting).
- Emphasizes how governments raise and use public resources, legal/budgetary compliance, and accountability to taxpayers, citizens, bondholders, and oversight bodies.
- Establishes standards based on public meetings, exposure drafts, constituent input from governments, auditors, users (including municipal bond market participants), and others.
- Helps stakeholders interpret and apply standards, while not serving as an enforcement body.

GAAP vs. IFRS

Table with various comparisons. This list is not all inclusive of the differences between the two standards and competitors should be expected to only have 3-5 items in their tables.

Topic	U.S. GAAP	IFRS
Standard-setting body	Financial Accounting Standards Board (FASB)	International Accounting Standards Board (IASB)
Primary use	Required/used by U.S. public companies (SEC registrants) and widely used by U.S. private companies and nonprofits	Used in many countries worldwide, especially for publicly listed companies in IFRS-adopting jurisdictions
Overall approach	Often described as more rules-based	Often described as more principles-based
Inventory costing	LIFO permitted; FIFO and weighted-average also allowed	LIFO not permitted; FIFO and weighted-average allowed
Property, plant & equipment (PP&E)	Generally carried at historical cost less accumulated depreciation; revaluation is generally not allowed	Choice of cost model or revaluation model (fair value-based revaluations allowed if reliably measurable)
Impairment reversals	Generally prohibited for most long-lived assets held and used	Permitted for some assets when indicators reverse
Goodwill impairment	Uses a single-step impairment test but impairment reversals are not allowed	Goodwill impairment test required; reversals not allowed
Revenue recognition	Largely converged under a 5-step model (ASC 606)	Largely converged under a 5-step model (IFRS 15)
Leases	Largely converged for lessees (right-of-use asset and lease liability), but GAAP retains two lease classifications for lessees (operating vs finance) affecting expense pattern	Lessees generally use a single model (finance-type), with limited exceptions; expense pattern often front-loaded
IFRS vs GAAP adoption in the U.S.	U.S. issuers generally must use U.S. GAAP for SEC reporting (limited exceptions)	Foreign private issuers can often file using IFRS as issued by the IASB without reconciliation to U.S. GAAP (SEC rules apply)

Company and stakeholder impact:

Some implications of standard setting bodies and GAAP/IFRS for the company and/or stakeholders (note – these are examples and not an inclusive list of the impacts):

- The main purpose of the SEC is to ensure the information provided by companies is accurate and complete so that stakeholders have all the information they need to make informed decisions. This benefits both the company and the shareholder/stakeholder.
- When FASB/IASB/GASB proposes new standards, companies and other stakeholders can comment on the standards prior to finalization of the standards. This gives companies and stakeholders the ability to provide input so that the standards are appropriate and fair.
- Once a standard has been finalized, the standard setting bodies generally allows a period before full adoption is required. Allowing companies to analyze the impact the new standard may have on their financial statements and inform stakeholders of the change and impact to the financial statements.
- The use of GAAP or IFRS permits users the ability to rely on companies' financial data to make decisions. In addition, it allows for comparability if a shareholder/stakeholder is comparing two or more company financial statements.

EVALUATION INSTRUCTIONS

- The participants are to be evaluated on their solution and ability to apply the specific performance indicators stated on the cover sheet of this event and restated on the Judge's Evaluation Form. Although the participants may demonstrate other performance indicators, those listed in the Performance Indicators section are the selected ones you are evaluating for this particular event.
- Maintain a consistent expectation when evaluating each participant.
- The maximum score for the evaluation is 100 points. This presentation will be valued at one-third of the total score.

Levels of Evaluation

FOCUS AREA	NOVICE	DEVELOPING	PROFICIENT	EXEMPLARY
Content Understanding	Demonstrates a limited or inaccurate understanding of key concepts.	Demonstrates a basic understanding of key concepts.	Demonstrates a solid understanding of key concepts and clearly explains and supports ideas using appropriate evidence.	Demonstrates comprehensive understanding of concepts and applies them effectively to solve the scenario, including in more complex or extended contexts.
Application of Performance Indicators and Career Competencies	Lists the performance indicators and career competencies, but understanding is incomplete or inaccurate.	Defines the performance indicators and career competencies, but does not connect them to solve the objective of the case study scenario.	Explains the performance indicators and career competencies and connects them to solve the objective of the case study scenario.	Strategically applies the performance indicators and career competencies and connects them to comprehensively solve the objective of the case study scenario.
Reasoning	Ideas are unclear, inaccurate, or lack logical support. There is no application of the ideas and concept.	Ideas are present and somewhat logical but contain gaps in reasoning, development, or supporting evidence.	Ideas are logical, well-developed, and supported with appropriate evidence, with only minor gaps.	Ideas are logical, well-supported using appropriate business concept and theories and demonstrates reasoning with clear practicality and real-world relevance.
Workplace Readiness	Participants represent an employee who requires significant guidance and support to complete tasks.	Participants represent an employee who demonstrates basic skills and can complete routine tasks with some guidance.	Participants represent an employee with solid skills and who works independently to complete tasks effectively.	Participants represent an employee with advanced skills, works independently, and adapts effectively to new or unpredictable challenges.

BUSINESS FINANCE MARKETING SERIES – 2026

JUDGE'S EVALUATION FORM
ICDC PRELIMINARY EVENT 1

INSTRUCTIONAL AREA:
Professional Development

Participant: ___________________________

ID Number: ___________________________

Rate the participant's ability to:		Novice	Developing	Proficient	Exemplary	Judged Score
PERFORMANCE INDICATORS						
1.	Explain the nature of accounting standards.	0-1-2-3	4-5-6	7-8-9	10	
2.	Discuss the roles and responsibilities of accounting-standards-setting bodies (i.e., SEC, FASB, IASB, GASB).	0-1-2-3	4-5-6	7-8-9	10	
3.	Compare U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS).	0-1-2-3	4-5-6	7-8-9	10	
4.	Organize information.	0-1-2-3	4-5-6	7-8-9	10	
5.	Select and use appropriate graphic aids.	0-1-2-3	4-5-6	7-8-9	10	
SOLUTION						
6.	**Unique** Demonstrate original thinking, fresh perspectives and an insightful approach.	0-1-2	3-4-5	6-7	8	
7.	**Practical** Develop an actionable/viable solution in a real-world context.	0-1-2	3-4-5	6-7	8	
8.	**Effective** Develop a solution that achieves relevant outcomes.	0-1-2	3-4-5	6-7	8	
CAREER COMPETENCIES						
9.	**Critical Thinking** Think critically to understand and solve problems.	0-1	2-3	4-5	6	
10.	**Communication** Communicate clearly, effectively and with reason.	0-1	2-3	4-5	6	
11.	**Decision Making** Consider the impacts of decisions.	0-1	2-3	4-5	6	
OVERALL IMPRESSION						
12.	Demonstrate overall career readiness through professionalism, poise and confidence.	0-1-2	3-4-5	6-7	8	
					TOTAL SCORE	