

ROSS ROUNDTABLE

on

FAIR VALUE ACCOUNTING

Date/Time: Monday, October 11, 2004/ 4:00pm to 6:00pm

Location: New York University
Leonard N. Stern School of Business
44 West Fourth Street
Henry Kaufman Management Center
Cantor Boardroom, 11th floor (11-75)
New York, NY 10012

Contact: 212-998-4143 or email aallison@stern.nyu.edu

Roundtable Coordinators:

Baruch Lev, *Philip Bardes Professor of Accounting and Finance*

Seymour Jones, *Clinical Professor, Department of Accounting, Taxation & Business Law*

Roundtable Theme:

Accounting standard-setters in the U.S. and abroad are striving to expand the fair valuation of assets and liabilities. This Roundtable will explore the need, practicality and implementation of fair value measurements as set forth in the recent FASB Proposal on Fair Value Measurements. The draft proposal seeks to clarify the fair value measurement objective and its application under various authoritative pronouncements that require fair value measurements. FASB has indicated that an important aspect of the fair value project is to provide guidance for measuring fair value that can be generally understood and consistently applied by preparers, auditors and valuation professionals. The proposed statement defines fair value as the price at which an asset or liability could be exchanged in a current transaction between knowledgeable unrelated willing parties. The major objective of the process is to estimate the value of an asset or liability in the absence of an actual exchange transaction for that asset or liability. We expect that participants at our Roundtable will discuss issues concerning fair value, including the following:

1. Given the difficulties in estimating fair value of most assets/liabilities, should such fair value disclosures be supplemental to basic financial statement presentations?
2. Can estimates of fair value where active markets do not exist be relied upon by investors?
3. Isn't the flexibility and judgment inherent in fair value estimation increasing managers' ability to "manage" financial information?
4. Are the level 2 and level 3 estimates (where active markets do not exist and where differences between similar assets or liabilities are not objectively determinable) auditable by auditors?
5. Fair value is currently applied primarily to financial assets. What are other asset/liability candidates for fair valuation?

CONTINUING PROFESSIONAL EDUCATION CREDITS (CPE)

Learning Objectives: The Ross Roundtable provides a forum for "public opinion shapers" -- business writers, financial analysts, educators, corporate financial executives, regulators, etc. -- to discuss with policymakers important developments in capital markets and the financial world. To provide ample opportunity for participants to voice their opinions, the size of the Roundtable is limited.

Course Level: Updated



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Requirements for participation in program: Adequate business and/or academic experience

Recommended CPE Credits: 2