

Prince Sultan University
College of Business Administration
Department of Accounting

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Commen Letter #. 1

Dear FASB,

We are grateful for the opportunity you have provided us to present our opinions and express our thought in a way that may benefit the entire accounting world. We have gone through the material extensively and have humbly provided below, the comments we have on each question, as requested. The comments are far from extensive but we do hope that these humble notes provide you the productive feedback that you are hoping for. As we went through the topic of descution which the concepts of framework for the financial reporting in the Notes of financial statment, and we believe that the Notes are an essential tools that clarify and specify items in the financial reports. For that, we provided our comments and opinions for the following questions.

Question 1: Should financial statements of employee benefit plans be excluded from the scope of this chapter of the conceptual framework?

We agree that the employee benefit plan should be excluded from the scope of this chapter because many organizations won't find the necessary information especially of the investors.

Question 2: Do the concepts in this chapter related to not-for-profit entities address the informational needs of resource providers to those entities?

Yes.The information should be available for government entities and contributors to the non-profit entities for accountability reasons.

Question 3: Do the concepts in this chapter encompass the information appropriate for disclosure in notes to financial statements that would assist resource providers in their decision making? Are there concepts that should be added or removed?

We believe it covers the information to a certain extent but not completely.

Question 4: Are there additional concepts needed to identify information that is unsuitable for requirement by the Board in notes to financial statements even though that information would be consistent with the purpose of the notes?

Not at the moment.

Question 5: Do the decision questions in Appendix A identify the information appropriate for the Board to consider requiring for disclosure when setting standards related to line items and other past events and current circumstances and conditions that can assist resource providers in their decision making?

The information in Appendix A, although limited, does provide a decent understanding of the information that would be required by the board for considering disclosure requirements. Another approach that they could take would be to implement a voting system in the form of a survey which would assist in the decision making.

Question 6: Does the discussion in paragraphs D43–D50 identify the information appropriate for the Board to consider when setting standards related to information about the reporting entity?

The paragraph although extensive seems to be difficult to comprehend.

Question 7: Will the concepts related to future-oriented information (paragraphs D22–D31) result in disclosures that are appropriate for the notes? If not, what types of information should be included in or excluded from consideration for disclosure in the notes?

We are the opinion that two additional pieces of information should be considered:

- a. Quantitative measures.
- b. Qualitative measures.

Question 8: Do the concepts in this chapter appropriately distinguish the types of information that are appropriate for the notes from the analysis management provides in other communications?

We believe that the distinguishing between both types of information is not clear enough.

Question 9: Are the concepts related to disclosure requirements for interim periods (paragraphs D60–D71) appropriate? If not, are there concepts that should be added or removed?

We believe them to be appropriate.

Question 10: If no disclosure guidance for a transaction, event, or line item is specified in U.S. GAAP, how will an entity consider the nonauthoritative guidance in this chapter?

The nonauthoritative guidelines for this chapter provide guidelines for financial reporting that are not mentioned in other sources. However, we believe that the

conceptual framework should have less breadth and be more detailed and strict in financial reporting as the world of accounting is precise and ever.

Sincerely,

(E-Sign)

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Accounting Major Students
Price Sultan University

PS: our comments and opinions do not represent Prince Sultan University in any way.