*Template for Country Analysis Source sheet*

**Your Name and Country in the header**

**Scenario: The firm of Capozzoli and Jones CPA’s has had numerous domestic clients open offices in foreign countries. To better serve their client base it was decided that you (an up and coming accountant with the firm) have been asked to perform a country analysis to determine if the country is suitable for a planned expansion of the firm. To enable this expansion the country must have a technology infrastructure in place to support far flung teams operating in a global environment. Answer the questions below and include the answers in the first page of the report.**

**Should the firm consider this country to establish a business presence for accounting related activities? Yes or No, Why (3 sentence maximum):**

**Overall Assessment of IT Capability of Country (3 sentences maximum):**

**Attractiveness of the Country from a Strategic Perspective (3 sentences maximum):**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Dimension** | **#** | **Category** | **High** | **Med** | **Low** | **Comments/Notes/URL Sources** |
| **Political environment** | 1.1 | Political stability | x |  |  | Worldwide Governance Indictors (WGI) - World Bank  Country XX:  Voice and accountability (99th percentile)  Political stability (80th percentile)  Government effectiveness (95th percentile)  Regulatory quality (97th percentile),  Rule of law (94 percentile)  Control of corruption (97th percentile)  US:  Voice and accountability (86th percentile)  Political stability (68th percentile)  Government effectiveness (92nd percentile),  Regulatory quality (93rd percentile)  Rule of law (91st percentile)  Control of corruption (91st percentile)   * <http://info.worldbank.org/governance/wgi/sc_country.asp>   Failed State Index for 2009:  Country XX ranks 169th (out of 177)  The United States ranked 159th  Most stable = Norway  Least stable = Somalia.   * <http://www.foreignpolicy.com/articles/2010/06/21/the_failed_states_index_2010> |
|  | 1.2 | Extent of government promotion of accounting policies (AP) and information technology (IT) |  |  |  |  |
|  | 1.3 | Trade barriers to AP and IT diffusion |  |  |  |  |
| **Regulation** |  |  |  |  |  |  |
| Accounting | 1.4 | Regulation/restriction of company ownership of an accounting practice |  |  |  |  |
|  | 1.5 | Accounting Certification |  |  |  |  |
|  | 1.6 | Existence of a formal accounting board |  |  |  |  |
|  | 1.7 | Extent of IFRS adoption |  |  |  |  |
|  | 1.8 | Extent of native accounting practices in use |  |  |  |  |
|  | 1.9 | Accounting standards are set by? |  |  |  |  |
| **Stock Exchanges** | 1.10 | Stock exchanges |  |  |  |  |
|  | 1.11 | Exchange regulators |  |  |  |  |
|  |  |  |  |  |  |  |
| **Educational System** | 2.1 | Literacy overall | x |  |  | All primary, secondary, and higher education is provided by the government or private religious institutions. Compulsory education for 12 years starting no later than age 5. Those who start early must stay until age 16.   * <http://english.minocw.nl/documenten/en_2006_2007.pdf>   The Country XX has a 99% literacy rate for all those 15 years and older. This includes both males and females. In addition the school life expectancy is 17 years for males and 16 years for females.   * <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html> |
|  | 2.2 | Accounting Literacy |  |  |  |  |
|  | 2.3 | IT literacy | x |  |  | Percentage of households with Internet access: 90 % (2009  ITU – Internet Users  Country XX =14.8 million Internet users, 5.9 million broadband subscriptions (86 Internet users per 100 people and 37 broadband subscribers per 100 people)  US = 239.8 million Internet users (76 per 100) and 85.2 million broadband subscribers (27 per 100)   * <http://www.itu.int/ITU-D/ICTEYE/Indicators/Indicators.aspx>   ITU - Mobile telephone subscriptions  Country XX = 124.8 per 100 population (23rd)  US = 86.79 subscriptions per 100 population (72nd)  Highest = United Arab Emirates = 208.65 per 100  Lowest = Ethiopia = 2.42 per 100  Region =Western Europe (total of 19)  Country XX = 9th |
| **Language/** | 3.1 | Extent of set of written symbols in native language | x |  |  | Dutch = 26 Latin based alphabetic symbols, numeral system of 0-9.   * [http://www.websters-online-dictionary.org/definitions/dutch+alphabet?cx=partner-pub-0939450753529744%3Av0qd01-tdlq&cof=FORID%3A9&ie=UTF-8&q=dutch+alphabet&sa=Search - 906](http://www.websters-online-dictionary.org/definitions/dutch+alphabet?cx=partner-pub-0939450753529744%3Av0qd01-tdlq&cof=FORID%3A9&ie=UTF-8&q=dutch+alphabet&sa=Search#906) |
|  | 3.2 | Extent of knowledge of English | x |  |  | 87% of the Country XX can speak English.   * <http://ec.europa.eu/public_opinion/archives/ebs/ebs_243_en.pdf> * [http://en.wikipedia.org/wiki/English\_language\_in\_the\_Country XX](http://en.wikipedia.org/wiki/English_language_in_the_Netherlands) |
| **Culture** | 4.1 | Hofstede MAS |  |  | x | Country XX Score: 14  US Score: 62  Scandinavian Countries Average: 14  World average: 50  [http://www.geert-hofstede.com/hofstede\_Country XX.shtml](http://www.geert-hofstede.com/hofstede_netherlands.shtml) |
|  | 4.2 | Hofstede UAI |  |  |  | Country XX Score: 53  US Score: 46  Scandinavian Average: 43  World Average: 64  [http://www.geert-hofstede.com/hofstede\_Country XX.shtml](http://www.geert-hofstede.com/hofstede_netherlands.shtml) |
|  | 4.3 | Hofstede PDI |  |  |  | Country XX Score: 38  US Score: 55  Scandinavian Average: 30  World Average: 55 |
|  | 4.4 | Hofstede (IND) |  |  |  | Country XX Score: 80  US Score: 91  Scandinavian Average: 71  World Average: 43  [http://www.geert-hofstede.com/hofstede\_Country XX.shtml](http://www.geert-hofstede.com/hofstede_netherlands.shtml) |
|  | 4.5 | Computer-Based Media Support Index see[[1]](#footnote-1) Van Slyke and Straub[[2]](#footnote-2) |  |  |  | Need to explain the calculation and calculate |
| **IT Diffusion** | 5.1 | Extent of phones per capita |  |  |  | World Bank:  Mobile and fixed telephone subscribers  Country XX = 170 per 100 people.  US = 140 per 100 people.  <http://data.worldbank.org/indicator/IT.TEL.TOTL.P2>  Mobile telephone subscriptions  Country XX = 124.8 per 100 population (23rd)  US = 86.79 per 100 population (72nd)  Highest = United Arab Emirates = 208.65 per 100  Lowest = Ethiopia = 2.42 per 100  Region - Western Europe  Country XX = 9th  Highest = Italy (151.57)  Lowest = France (93.45)   * <http://networkedreadiness.com/gitr/main/index.html> |
|  | 5.2 | Extent of computers per capita |  |  |  |  |
|  | 5.3 | Extent of TV per capita |  |  |  |  |
|  | 5.4 | Extent of IT usage |  |  |  |  |
| **Telecommunications Infrastructure** | 6.1 | Extent of Internet connections |  |  |  | Global Information Technology Report – Broadband users  Country XX = 4th (35.14 per 100 people)  US = 22nd (23.46 per 100 people)  Highest = Barbados (64.81 per 100)  Lowest = Honduras (0 per 100)  Region – Western Europe  Country XX = 3rd  Highest = Sweden (41.19)  Lowest = Greece (13.53)  <http://networkedreadiness.com/gitr/main/index.html> |
|  | 6.2 | Support for EDI |  |  |  |  |
|  | 6.3 | Availability of digital networks |  |  |  |  |
|  | 6.4 | Availability of ISDN/fiber |  |  |  |  |
| **Economy** | 7.1 | Quality of physical infrastructure | x |  |  | The Country XX is built upon its access to sea trade and has an extensive infrastructure of canals and ports. The country has high speed train routes and city-based commuter trains throughout the country that extends into neighboring countries. There are and extensive number of cycling trails, as bicycles are one of the most popular forms of travel.   * Personal Experience   Electricity production (kWh) per capita  Country XX = 35th (6019.39 kWh per capita)  US = 9th (14309.62 kWh per capita)  Highest = Iceland (32240.26 kWh)  Lowest = Chad (10.26 kWh)  Region – Western Europe  Country XX = 14th  Highest = Norway (25956.55 kWh)  Lowest = Portugal (4595.65 kWh) |
|  | 7.2 | Extent of privatization |  |  |  | According to the 2010 Index or Economic Freedom, the Country XX ranks 15th in the world in terms of economic freedoms. On a scale where 0 is the least free and 100 is the most free, the Country XX scored:  Business Freedom = 82.6  Trade Freedom = 87.5  Fiscal Freedom = 52.0  Government Spending = 38.4  Monetary Freedom = 81.0  Investment Freedom = 90.0  Financial Freedom = 80.0  Property Rights = 90.0  Freedom from Corruption = 89.0  Labor Freedom = 59.1  Regionally, the Country XX is ranked 6 out of 43 with Ireland ranked the highest.   * [http://www.heritage.org/Index/Country/Country XX](http://www.heritage.org/Index/Country/Netherlands) |
|  | 7.3 | GNP per capita |  |  |  | According to the CIA World Factbook, the GDP per capita for the Country XX was $39,200 in 2009 (22nd). The US GNP per capita was $46,400 in 2009 (11th).   * <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html>   Records from the 2010 Index for Economic Freedom put GDP per capital at $40,849 for 2010.  [http://www.heritage.org/Index/Country/Country XX](http://www.heritage.org/Index/Country/Netherlands) |
|  | 7.4 | Imports |  |  |  |  |
|  | 7.5 | Exports |  |  |  |  |
|  | 7.6 | Extent of foreign direct investment from other countries |  |  |  | Foreign Direct Investment amounts to $661 billion (31 December 2009 est.). This puts the Country XX 7th worldwide.  Foreign Direct Investment Abroad by the Country XX amounts to $866.1 billion (31 December 2009 est.). This puts the Country XX 5th worldwide.   * <https://www.cia.gov/library/publications/the-world-factbook/geos/nl.html>   “There are no restrictions in the Country XX on foreign investment in the telecommunications, Internet or online-content industries. The government divested its remaining shares and special voting rights in Koninklijke PTT Nederland (KPN), the former fixed-line monopoly operator, in 2006.”  [http://www.ebusinessforum.com/index.asp?layout=rich\_story&doc\_id=9776&title=Country XX%3A+Overview+of+e-commerce&categoryid=29&channelid=4](http://www.ebusinessforum.com/index.asp?layout=rich_story&doc_id=9776&title=Netherlands%3A+Overview+of+e-commerce&categoryid=29&channelid=4) |
|  | 7.7 | Extent of foreign direct investment to other countries |  |  |  |  |
|  | 7.8 | Legal protection for international software copyrights & trade secrets |  |  |  |  |
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**Other Pertinent Information:**

1. Van Slyke, C., Lou, H., Belanger, F. & Sridhar, V. (2010). The Influence of Culture on Consumer-Oriented Electronic Commerce Adoption. *Journal of Electronic Commerce Research*, Vol 11, No 1, 30-40. [↑](#footnote-ref-1)
2. Straub, D., Keil, M. and Brenner, W. (1997) "Testing the Technology Acceptance Model across Cultures: A Three Country Study." *Information & Management*, Vol. 33, 1-11. [↑](#footnote-ref-2)