

Master of Management & Professional Accounting Program

MGT 1102 – Business & Professional Ethics

Fall 2006

Instructor:

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Office Hours:

TBA

Course objectives:

Note the course objective such as:

The objectives of this course are to:

1. explore the ethical tragedies and trends affecting business and the professions, and the new social contract paradigm these are creating to govern the behaviour of managers and professionals,
2. identify frameworks for ethical analysis and decision making,
3. examine the role and ethical expectations of the accounting professional,
4. consider some of the major ethical pitfalls to be faced by a professional accountants, and
5. consider how to develop a governance system to:
 - develop a corporate culture to guide and manage employee behaviour, and
 - provide ethical assurance for officers, directors and other stakeholders,
6. consider the important aspects of workplace ethics, international operations, social accountability and audit, as well as crisis management and ethics risk management.

This module introduces competing expectations about the purpose of organizations and hence raises questions concerning the appropriate responsibility of their managers. It develops the position that the responsibility of managers for effective action extends not only to the familiar economic and market milieu, but to the wider social/public arena as well. Students will learn to analyze, question critically and perhaps change the ethical and moral standards, priorities, points of trade-off and compromise that they apply to business and professional behaviour.

Business & Professional Ethics deals directly with the following Pervasive Competencies in the CA Competency Map which are at the core of the accounting profession:

- Ethical Behaviour and Professionalism:
 - Maintenance of confidence of the public, employers and clients
 - Commitment to integrity, objectivity, independence and appropriate values including professional skepticism.

- Personal Attributes necessary for:
 - Leadership in decision making and organizational performance
 - Self-management and the maintenance of professional competence
 - Professional judgment and knowing ones limitations
 - Taking initiative, adding value, being creative and adaptive.

- Professional Skills that encompass:
 - The creation, analysis, evaluation and synthesis of information and ideas; problem solving and decision-making; communication; the provision of services and of managing and supervising; and of technological proficiency.

In addition, this course provides an excellent platform for the development of all (except the musical) of Howard Gardiner's Multiple Intelligences. Our discussions, debates, analyses and reports are particularly helpful in developing linguistic, logical-mathematical, bodily-kinesthetic, interpersonal and intrapersonal intelligences.

Grade allocation:

Grades will be based upon the following:

Assignment - individual	35%	Application of ethical decision making –due session 7
Class participation	10	
Group Case/Project	25	Current issue analysis – due session 10
Examination (30 Nov 06)	<u>30</u>	Open book - Textbook is required
	100%	

Assignment (Individual)

Select an ethical dilemma that you have encountered personally or observed in your business life. Apply one of, or a hybrid of, the comprehensive ethical decision making frameworks that will be covered in the course and assess whether, and how, the outcome would have changed. The assignment is due before session 7. Your submission should not exceed 5 pages of double-spaced typewritten text (12-pt. type), plus appendices as appropriate.

Class Participation

Business & Professional Ethics is a course that relies upon discussion and interchange of ideas; where students learn significantly from the different perspectives expressed. Listening skills are also important, because underlying assumptions often need to be challenged. Consequently,

opportunities for discussion will be stimulated and grades will be assigned for the quality of participation as well as attendance.

Current Issues Case/Project (Group)

Chose one of the following cases or current issues and present your **practical ethical analysis** of it and/or **solution** to it. Your group will prepare a case/project report that should not exceed 10 pages of double-spaced typewritten text, plus appendices as appropriate. Projects are to be emailed to the instructor prior to session 10. Where a case write-up is chosen, the report should cover at least: an executive summary; what happened; major personnel involved; flaws in corporate and professional accounting governance exposed, and suggested improvements; probable impacts on the accounting profession; and important readings and references.

- **Cases:** Banks that Assisted Enron, Parmalat, WestJet Spying, Wal-Mart Responsibilities, Nortel's Governance Failures or other as approved by the instructor.
- **Consultant's Report** to the Chairman of one of a:
 - client with worldwide operations to explain what your audit/consulting firm would do in an assignment to provide ethical assurance to the client.
 - client in the telecommunications industry proposing a set of governance metrics to be used to monitor the performance of the governance system.
 - gold mining company explaining what you would advise including in a report to the public on the company's ethical performance.
 - an airline about its probable ethics risks, and a program to assess them.
- **Movie Review:** The Smartest Guys in the Room, Boiler Room, Wal-Mart – High Cost of Low Prices, Wall Street
- **Other topics** as approved by the instructor: Elliot Sptizer's Impact on Governance, Product Recalls – a historic perspective, New Orleans' Faulty Cost Benefit Analysis

Course materials:

Text (Readings and cases are in the text unless otherwise noted)

Business & Professional Ethics For Directors, Executives & Accountants, 4e,
Leonard J. Brooks, Thomson South-Western, Mason, Ohio, 2007.

Academic misconduct:

Students should note that copying, plagiarizing, or other forms of academic misconduct will not be tolerated. Any student caught engaging in such activities will be subject to academic discipline ranging from a mark of zero on the assignment, test or examination to dismissal from the university as outlined in the academic handbook. Any student abetting or otherwise assisting in such misconduct will also be subject to academic penalties.

Students agree that by taking this course all required papers may be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com website.

BUSINESS & PROFESSIONAL ETHICS
DETAILED COURSE OUTLINE FOR 2006

	TOPICS	CASES/READING/HANDOUT/WEBSITE http://brooks.swlearning.com http://brooks.thomsonedu.com
1.	The Ethics Environment Recent tragedies and trends Sarbanes-Oxley Act & Reform Response from Business Developments in business ethics Implications for professional accountants	C: Enron, Andersen, WorldCom (Ch. 2) R: Brooks, Preface and Ch. 1 R: Paine, 1994
2.	<i>Ethical Governance – Codes & Beyond</i> Relevance of ethical governance Ethics Programs Corporate codes	C: Tyco- Looting Executive Style (Ch. 3) C: Nortel Networks Audit Committee (Ch. 3) R: Brooks, Ch. 3.
3.	Role of a Professional Accountant Public expectations Implications for services offered Judgement and values Sources of ethical guidance	C: Lang Michener Affair C: HealthSouth-Can 5 CFO's Be Wrong? R: Brooks, Ch. 4
4.	Professional guidance context Professional codes International comparison Issues not resolved by codes	C: Arthur Andersen Case Web Reading (H) C: Advice for Sam and Ruby C: Parmalat-Europe's Enron
5.	Ethical Decision Making <i>Stakeholder impact analysis</i> Comprehensive approaches	C: Betaseron (A)/Kardell Paper R: Brooks, Ch. 5
6.	Quantifiable impacts Non-quantifiable impacts Managing stakeholder relationships	C: Ford Pinto (Hazardous Products) C: Martha Stewart R: Brooks, Ch. 6, and Cost- Benefit Analysis

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DETAILED COURSE OUTLINE FOR 2006
Continued**

7.	Significant Ethical Issues Conflicts of interest	R: Brooks, Ch. 3, 4 C: Boeing's CEO is Fired C: Locker Room Talk R: Finn et al, 1988 R: Gunz & MacCutcheon, 1991 R: Lynch, 1987
8.	Workplace ethics	R: Brooks, Ch 6 C: Downsize or Bonus Decision C: Texaco's Jelly Beans C: TBA
9.	International operations Social accountability & audit	R: Brooks, Ch.6 C: Italian Tax Mores C: Royal Ahold C: Nike, Levi Strauss et al R: Roth et al, 1996 R: Donaldson, 1994 R: Brooks Ch. 6 C: Dow Corning Breast Implants R: CSR & CSI websites R: GRI Reports R: Corporate Ethics Monitor
10.	Crisis Management Risk Management & ethics risks	R: Brooks, Ch. 6 C: TBA - It's a crisis after all R: Mitroff, 1987 R: Brooks, Ch. 6
11.	Examination	Open book - 2 hours

MOVIES TO BE SHOWN

1.	Sept	The Smartest Guys in the Room
2	Sept	Boiler Room
3	Oct.	Wal-Mart – High Cost of Low Prices
4	Oct.	Wall Street