

**ACCT 30750 (Ethics in Accounting)**

Department of Accountancy  
Mendoza College of Business  
University of Notre Dame  
Spring, 2006

**TEACHER**

Prof. Kevin Misiewicz (Mi shev' each), Ph.D., CPA  
Office: 228 MCOB/631-7314/misiewicz.1@nd.edu  
Home: 283-0041

**REQUIRED MATERIALS**

(MI): MORAL INTELLIGENCE: ENHANCING BUSINESS PERFORMANCE AND LEADERSHIP SUCCESS, Doug Lennick & Fred Kiel, May 2005, Pearson Education, ISBN 0131490508

(CID): CHARACTER IS DESTINY: INSPIRING STORIES EVERY YOUNG PERSON SHOULD KNOW AND EVERY ADULT SHOULD REMEMBER, John McCain with Mark Salter, 2005, Random House, ISBN 1400064120

**LEARNING OBJECTIVES****Ethical Awareness and Recognition of Ethical Issues in Accounting**

Raise each student's level of awareness and ability to recognize ethical issues facing the accounting profession and accounting practitioners.

**Ethical Knowledge**

1. Increase each student's ability to identify key concepts and understand different ethical approaches and theories.
2. Enhance each student's understanding of the ethical guidance (AICPA, PCAOB, SEC, Sarbanes-Oxley, etc.) available in accounting practice

**Ethical Judgment**

Improve students' moral reasoning and ethical decision making skills with objectivity, especially with regard to issues encountered in accounting practice.

**Integrity**

Increase each student's ability to do the right thing and to sustain support structures which encourage making decisions with personal and professional integrity.

**LEARNING APPROACHES****Seminar Format**

Ethics is a subject that does not lend itself to lecture. Thus, the class will be conducted primarily with a discussion format. Many cases (both short and longer ones) will facilitate group discussions.

**In-class Participation**

Prior preparation and personal reflection accompanied by verbal interaction in class are especially important in this course. Attendance only is 75%. Some verbal participation is 85%. Significant verbal participation is 92%. Exceptional contributions to the discussion will be 100%.

**Homework Assignments**

Student written responses to designated assignments will be collected at the start of class. A good faith response to each of the questions will receive full credit.

**Analysis of "Character is Destiny" Vignettes**

Each student will read 4 vignettes - each from a different Part of the book:

1. Analyze ethical dilemma(s) faced by each person;
2. Identify what encouraged them to act ethically and what tempted them to act unethically;
3. Determine what ethical paradigm each of them used;
4. Reason out what each of them could have done to help themselves act more ethically;
5. Describe the effect(s) of their acting ethically; and
6. Make any useful comparisons between the four.
7. Who is the most exemplary role model from your perspective? Why?

**Presentation**

Each student (or two or three students) will identify a contemporaneous accounting ethics issue, discover incidents of it, and apply ethics theory to recommend actions by stakeholders. The student(s) will make a 8-14 minute presentation (no PowerPoint) on this application of accounting ethics, include a handout with at least one page, and effectively ask at least 2 questions of and answer at least 2 questions from participants.

**Exposure to Accounting Ethics in Practice**

Guest speaker(s) will discuss ethical issues.

**GRADE CRITERIA**

In-class Participation	100 points
Homework	100 points
"Character is Destiny" Analysis	200 points
Presentation	<u>200</u> points
	600 points

## **SCHEDULE**

### **#1: January 18 (Wednesday)–Introduction**

Survey of perspectives of ethical concerns in accounting practice and business in general

Survey of factors which support ethical decision-making

Discussion of ethics of individuals and ethical dilemmas in general

Review of ethical theories and approaches to ethical dilemmas

### **#2: January 23 (Monday)–Ethics Expectations & Paradigms**

Read and be prepared to discuss:

"Ethical Behavior in Accounting: Ethical Theory" (Handout)

MI: pages 3-61

**Homework #1 - Worksheets #1 (p. 41), #2 (p. 46), #3 (p. 52), #4 (p. 55), & #5 (p. 58) (Handout)**

### **#3: January 25 (Wednesday)–Approaches to Ensuring Ethical Decisions**

Read and be prepared to discuss:

MI: pages 63-113

"The Whistle Blower: Patriot or Bounty Hunter?" (Handout)

What are personal factors that encourage/discourage whistleblowing?

What are organizational factors?

What are societal factors?

**Homework #2 - "Whistleblower" questions**

### **#4: January 30 (Monday)– Impacts and Causes of Accounting Firm Ethical Lapses**

Read and be prepared to discuss:

When Does An "Aggressive Accounting" Choice Become Fraudulent? (Handout)

How does this approach compare to that in tax returns?

The Enron Debacle case - 11 Questions (Handout)

Arthur Andersen's Troubles case - 8 Questions (Handout)

WorldCom: The Catalyst - 6 Questions

"Other Peoples Money" To what extent do you agree/disagree w/ Toffler?  
(Handouts)

**Homework #3 - MCI (pp. 237, 238, & 247 in MI) (Handout)**

### **#5: February 1 (Wednesday)–**

Read and be prepared to discuss:

"When Is Resignation Not Enough?" case - 7 Questions (Handout)

"The Parable of the Sadhu" - What are at least 5 insights you get from this case concerning the resolution of ethical dilemmas? (Handout)

**Homework #4 - "Sadhu" case insights**

**"Character is Destiny" Analysis due by 4 PM**

**#6: February 6 (Monday)- Tax Practice Ethics**

Read and be prepared to discuss:

Tax Return Complications case - 2 Questions (Handout)

**Presentations**

**#7: February 8 (Wednesday)- Ethics & Spirituality in Business**

Read and be prepared to discuss:

"Reconciliation of Human well-being with Productivity & Profits"

**#8: February 13 (Monday)- The Accounting Profession After Enron**

Read and be prepared to discuss:

AICPA Code of Professional Conduct (Handout)

Dilemma of an Accountant case - (Handout)

What are Dan's Options?

What should he do?

What is lacking in the firm to encourage integrity?

**Presentations**

**#9: February 15 (Wednesday)- Professional Accounting**

Read and be prepared to discuss:

"To Qualify or Not?" case - What should Jane do? Why? (Handout)

**Homework #5: Answers to above case**

**Presentations**

**Evaluation**

[Participate in "Ethics Week" (extra credit for evaluation of a presentation)]