

ACC 450: Ethics and International Accounting
University of North Carolina at Greensboro
Department of Accounting
Joseph M. Bryan School of Business and Economics

Professor Ed Arrington
Office: 427 Bryan
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Class times: 6:00-8:50 R
Class location: 110 Bryan
Office hours: 3:30-5:30 R (any other time than I
am in the office)

Phone: 336-256-0116

Course overview: This course has two knowledge-based, broad objectives. The first is to assist the student in developing intellectually credible ways of understanding the relation between accounting and ethics. The second is to assist the student in acquiring a basic but informed knowledge of the nature of accounting in an international context. The first objective will occupy most of our class time. Enhancing your abilities to write, speak, and work interactively with others is an important objective as well.

Understanding the relation between accounting and ethics requires both (1) adequate understanding of philosophical ethics and (2) the ability to apply the lessons of philosophical ethics to the complex and practical conditions of accounting in action. As such, this course combines philosophical ethics with its application to accounting activities. **For those who would like to strengthen their understanding of ethics in general, there are numerous excellent introductory sources. I would suggest that, with limited time, you focus on the following website: <http://plato.stanford.edu>** Do not use *Wikipedia* for anything. It is loaded with error.

This course carries a WI (writing-intensive marker); as such, you will write extensively. Your grade on written assignments will be influenced by all of those factors that give rise to good writing – literacy, grammar, structure, rhetoric, style, and content. If you feel that you need assistance with your writing, the UNCG Writing Center does a superb job.

Group work and participation both in class and on our discussion board are important components of the course and of your grade. It goes without saying that attendance is a requirement of the course. **Sometimes students do not take the class participation component of the grade seriously. I do. I grade participation just as rigorously as I grade anything else; in other words, very low grades on participation are possible.**

This class will be a rich mixture of discussion, lecture, and presentations. You are required to read and understand the material prior to class, you will be called upon to participate in the conduct of the class on a daily basis, and you are expected to participate in discussion boards.

Required books:

Duska, Ronald F. and Brenda Shay Duska. *Accounting Ethics*. Blackwell Publishing, 2003.

Toffler, Barbara L. *Final Accounting: Ambition, Greed, and the Fall of Arthur Andersen*. Broadway Books, 2003.

Much of our reading will be the journal articles and other material listed in the course syllabus and assignments below. All of these articles are available either on-line through UNCG’s Jackson Library website or directly off the web from the links provided on this syllabus. ***Please find, print, and save these articles as soon as you can. I will not accept arguments that you had difficulty “finding” or “printing” these articles. Do it early.***

A word on honor and plagiarism: We are all bound by the UNCG Code of Student Conduct. In addition, we all know that we are not to engage in plagiarism. No one has a property right in ideas; everyone has a property right in their own words. If you have any doubt about whether you are writing in your own voice or in someone else’s, give them appropriate credit through citation. All of your written work should conform to the Chicago Manual of Style (Turabian).

Grading:

Grades will be determined according to the following scale:

Participation in in-class discussion and discussion boards	15 points
Midterm exam	20 points
Individual written assignments	25 points
Final exam	25 points
Group presentations	15 points

Grades will follow the traditional 10-point interval A, B, C, D, and F scores, with pluses and minuses used at the margin.

Participation in in-class discussion and discussion boards:

This component of your grade will be based on my assessment of what you have contributed to the class in our discussions as well as your preparation for each class meeting. If at any point you are concerned about how well you are doing on this dimension of your grade, please discuss that concern with me. You are responsible for having prepared all assignments and completed all readings assigned for each class meeting. Attendance obviously matters to this component of your grade since you can’t participate if you are not in class. **YOU MUST PARTICIPATE IN DISCUSSION BOARDS ROUTINELY AND MEANINGFULLY.** This will require that you do your readings for each class well in advance so that you will have time to participate in the discussion board prior to that class.

Midterm and final examination:

Your midterm will be a take-home exam. Your final will be an in-class exam. Both exams are based upon all of the assigned material in the class that we have covered up to the date of each exam.

Individual written assignments:

The class carries a writing-intensive (WI) marker from UNCG. As with your exams, your grade will be determined by both the academic quality of your assignments as well as the quality of composition of those assignments. The UNCG Writing Center does a superb job of assisting students with their writing skills.

Course Syllabus and Assignments

January 11: Administrative matters relevant to the course and general introduction to the nature of ethics and its relation to accounting. In class reading assignments:

Waddock, Sandra. "Hollow Men and Women at the Helm . . . Hollow Accounting Ethics?" *Issues in Accounting Education* (Vol. 20, No. 2; May 2005), pp. 145-150.

Pulliam, Susan. "How Following Orders Can Harm Your Career," *CareerJournal* (October 3, 2003). (To access this article, go to <http://www.careerjournal.com/> and use the search facility to find the article).

January 18: Part 1 of *Final Accounting*.

Reading assignment:

Duska text: Enron and WorldCom chronologies, pages xiii through li.

Toffler, Barbara L. *Final Accounting: Ambition, Greed, and the Fall of Arthur Andersen*, pages 1 through 158.

January 25: Continuation of discussion of *Final Accounting*.

Reading assignment:

Toffler, Barbara L. *Final Accounting: Ambition, Greed, and the Fall of Arthur Andersen*, pages 159 to the end.

Duska, Ronald. *The Good Auditor – Skeptic or Wealth Accumulator? Ethical Lessons Learned from the Arthur Andersen Debacle*, *Journal of Business Ethics*, Vol. 57, 2005, pp. 17-29.

February 1: An introduction to practical issues in accounting ethics. The complexity of moral action.

Reading assignment:

Duska text, pages 1 through 44.

Young, Joni. *Making Up Users*. Accounting, Organizations and Society, Vol. 31 (2006), pp. 579-600.

McCoy, Bowen H. *The Parable of the Sadhu*, Harvard Business Review (May/June, 1997), pp. 54-64 and my essay on this parable (posted on Blackboard).

Written assignment: Write a six- to eight-page paper titled: "Deontological ethics and its relation to accounting and auditing."

February 8: Why moral theory matters to accounting and ethics. Virtue Ethics. Morals and markets.

Reading assignment:

Duska text, Chapter 3, pages 45-64.

Mintz, Stephen M. "Aristotelian Virtue and Business Ethics Education," *Journal of Business Ethics* (August 1996), pp. 827-838.

[Virtue Ethics](http://plato.stanford.edu/entries/ethics-virtue/) <http://plato.stanford.edu/entries/ethics-virtue/>

Boatright, John R. *Does Business Ethics Rest on a Mistake?* Business Ethics Quarterly, Volume 9, No. 4 (1999), pp. 583-591.

February 15: Codes of Ethics

Reading assignment:

Duska text, pages 65-105.

Preston, A., D. Cooper, D. Scarbrough, & R. Chilton. *Changes in the Code of Ethics of the U.S. Accounting Profession, 1917 and 1988: The Continual Quest for Legitimation*. Accounting, Organizations and Society, Vol. 20, No. 6 (1993), pp. 507-546.

Collins, A. & N. Swartz. *A Critical Examination of the AICPA Code of Professional Conduct*. Journal of Business Ethics, Vol. 14, No. 1 (Jan. 1995), pp. 31-41.

Written assignment: Write a six- to eight-page, double-spaced paper titled: "Should The Social Responsibilities of Business Be Limited to Making a Profit?"

February 22: Ethics in Auditing and Management Accounting.

Duska text, pages 106-155.

Miller, P. & T. O'Leary. *Accounting and the Construction of the Governable Person*. Accounting, Organizations and Society, Vol. 12, No. 3 (1987), pp. 235-265.

March 1: Ethics and the Psychology of Decision-Making. History of Audit Regulation

Reading assignment:

Messick, D. and M. Bazerman. "Ethical Leadership and the Psychology of Decision Making," *Sloan Management Review* Vol. 37, No. 9 (Winter 1996), pp. 9-22.

Bazerman, Max H., George Loewenstein, and Don A. Moore. "Why Good Accountants Do Bad Audits," Harvard Business Review (November 2002), pp. 96-102.

Kinney, William R., Jr. Twenty-Five Years of Audit Deregulation and Re-Regulation: What Does It Mean for 2005 and Beyond?, Auditing: A Journal of Practice and Theory, Vol. 24, Supplement (2005), pp. 89-109.

Written assignment: Write a six-to eight-page double-spaced paper titled: "Utilitarianism and its relation to accounting and auditing."

March 8: No class; Spring Break

March 15: The Sarbanes-Oxley Act. The Effectiveness of Post-Enron Corporate Reform

Reading assignment:

[The Sarbanes-Oxley Act](#)

Smith, Roy C. & Ingo Walter. "Four Years After Enron: Assessing the Financial Market Regulatory Cleanup." The Independent Review (Vol. XI, No. 1; Summer, 2006), pp. 53-66.

March 22: The Ethics of Courage. Ethics and the Politics of Business Organizations

Reading Assignment:

"The Ambivalence of Political Courage." *The Review of Politics* (Fall 2001), p. 637-661.

Phillips, Robert A. & Joshua D. Margolis. *Toward an Ethics of Organizations*. Business Ethics Quarterly, Volume 9, No. 4 (1999), pp. 619-638.

Moriarty, Jeffrey. *On the Relevance of Political Philosophy to Business Ethics*. Business Ethics Quarterly, Volume 15, No. 3 (2005), pp. 455-473.

March 29: Whistleblowers. Accounting, Race and Gender

Baynes, Leonard M. "Just Pucker and Blow?: An Analysis of Corporate Whistleblowers, The Duty of Care, The Duty of Loyalty, and the Sarbanes-Oxley Act." *St. John's Law Review*, Vol. 76 (Fall 2002), pp. 875-896.

Reading assignment: "Dear White Boss," *Harvard Business Review* (November 2002), pp. 77-81.

Dr. Ann Watkins will present a lecture on the history of accounting, race and gender.

April 5: Group presentations on International Accounting Topics

Group presentation on International Accounting Standards

Group presentation on the FASB's Convergence Project

Written assignment: Write a six- to eight-page, double-spaced paper titled "Teleological ethics and its relation to accounting and auditing."

April 12: Group presentations on International Accounting Topics

Group presentation on IOSCO and the regulation of global capital markets

Group presentation on the Foreign Corrupt Practices Act and the Federal Sentencing Guidelines

April 19: Group presentations on ethics cases

Group presentation on the Qwest case

Group presentation on the Ford Pinto case

April 25: Group presentations on ethics cases

Group presentation on the Texaco Ecuador case

Group presentation on the Tyco case

May 3: Final examination. 7:00-10:00 pm.

