

## SYLLABUS

**ACCT 430/530 – 81E (20404/20411)**

**Business Ethics for Accountants**

**Spring 2014 (January 13 through May 2, 2014)**

### **COURSE INFORMATION**

<b>Instructor:</b>	Dr. Joseph Krupka, CPA/PFS Assistant Professor
<b>Lecture Time(s):</b>	Thursday, 6:15 pm – 8:55 pm
<b>Location:</b>	UCD Campus
<b>Office:</b>	<i>Main Campus:</i> Dept. of Accounting Offices (1 <sup>st</sup> floor)
<b>Office Hours:</b>	<i>Tuesday and Thursday 3pm to 6 pm at UCD office</i>
<b>Contact:</b>	<i>Best Method- E-mail:</i> <a href="mailto:Joseph.Krupka@tamuc.edu">Joseph.Krupka@tamuc.edu</a> <i>Telephone:</i> 732-439-0600 <i>Fax No.:</i> 903-468-3216

### **Course Description:**

Introduction of ethical reasoning, integrity, objectivity, independence, core values, and professional issues in accounting. Students will apply the concepts and theories to accounting cases. Prerequisite: Acct 322. This course is web enhanced. In other words, the course is live, but the Instructor will use online tools (i.e. eCollege) to enhance the course and facilitate learning. Accordingly, rather than handout papers, students are required to download, via document sharing, required documents. Also, assignments will be submitted via the course Dropbox. Additional information will be discussed in class.

### **Required Course Materials:**

Mintz, S. & Morris, M., (2014) *Ethical Obligations and Decision Making in Accounting: Text and Cases*. (3<sup>rd</sup> ed.) McGraw-Hill: Boston (ISBN: 9780077862213).

Texas State Board of Public Accountancy (2009). *The Public Accountancy Act, Chapter 901 of the Occupations Code*.

<http://www.tsbpa.state.tx.us/.pdffiles/TSBPAACT.pdf>

TSBPA-Rules of Professional Conduct

Texas Administrative Code: Chapter 501 (Title 22, Part 22)

[Link to Texas Administrative Code \(sos.state.tx.us\)](http://sos.state.tx.us)

### **Recommended Course Materials:**

May, C., & May, G. (2008). *Effective writing: A handbook for accountants* (8<sup>th</sup> ed.). Upper Saddle River: Pearson. (ISBN: 978-0-13-602908-3).

American Psychological Association (APA). (2009) *Publication Manual of the American Psychological Association* (6<sup>th</sup> ed.). Washington, D.C: Author. (ISBN: 1-4338-0562-6).

### **Course Outcomes:**

After successful completion of this course the student will:

- Understand the meaning of ethics and why ethics are critical for students to learn
- Develop an understanding of various aspects of moral reasoning
- Understand how moral reasoning is used for ethical decision- making
- Learn the tools and techniques for analyzing ethical situations and using these tools to make ethical decisions including identification of the stakeholders, the issues involved, and the process for making an ethical decision
- Understand concepts associated with business ethics and the impact of business ethics on corporate governance
- Determine how firms develop corporate codes of conduct and the roles such codes have on corporate governance
- Understand the importance of ethics on professions such as accounting
- Understand professional ethics for accountants in public accounting with emphasis on the AICPA Code of Conduct and the Texas rules of Conduct
- Understand professional ethics for accountants in other areas including management accounting, internal auditing, and not-for- profit accounting
- Understand legal liability issues that accountants face and the impact that such issues have on professional ethics
- Understand the current state of the profession and the implications for the future of accounting, particularly public accounting.
- Analyze, research and use technology in determining the relevance of important ethical and professional issues

### **Course Emphasis:**

- The following emphases will guide the composition of course assignments and activities:
- Provide the basics of ethics and why ethical behavior is important to successful business operations
- Provide students with the tools needed to understand moral reasoning and to make ethical decisions
- Provide students with an understanding of corporate governance and the impact that ethical decisions will have on business operations
- Provide students with an understanding of the importance of professional ethics for accountants
- Introduce the various professional ethics standards within the accounting profession including the AICPA Code of Conduct, the Texas Rules of Conduct, and ethics standards for other accounting organizations such as the Texas Society of Certified Public Accountants, Institute of Management Accountants, The Association of Certified Fraud Examiners, and the Institute of Internal Auditors
- Place particular emphasis on the importance of ethical reasoning, independence, integrity, and objectivity in providing accounting services
- Introduce students to accountant's legal liability issues and how improper ethical behavior can create such legal problems
- Discuss real world situations and case studies where students will have to make ethical decisions that will enhance their ability to make such decisions in the workplace

### **Professional Competency Development:**

- Develop critical skills by analyzing ethical and legal issues and problems, recognizing and assessing such issues, and recommending specific actions to implement your analyses
- Sharpen interpersonal skills by participating in group assignments
- Improve oral and written communication skills through class discussions, cases analyses, formal and informal presentations, and group and individual written assignments
- Expand technology-based competencies by gathering information from electronic sources (i.e., the Internet and library electronic databases) and using presentation technologies (e.g., Power Point)
- Enhance learning competencies by reading articles from the popular business and technical accounting press and discussing current events as they relate to professional ethics for accountants

### **Instructional Methodology:**

This class will consist of lecture, discussion, presentation, quizzes, research papers and problem solving. The method of instruction for this course will be live face-to-face in the classroom and web enhanced. The course will have some supplementary materials provided by means of the internet.

## **STUDENT ASSESSMENTS**

### **Evaluation:**

Evaluation consists of: graded examinations, team case analyses/report(s)/and presentation(s), research paper(s), homework cases, and attendance/class participation (including answering discussion questions). All reading assignments are to be completed before the assigned class period and prior to turning in the written assignments. Students are required to complete all assignments – there are no “make-ups”. End of chapter Discussion Questions are not to be turned in. However, students should be prepared to answer any assigned discussion questions in class. Your response will contribute towards the participation evaluation component of this course.

All written assignments must be completed and submitted to Dropbox (eCollege) by the beginning of the scheduled class or announced due date. In the event a student does not complete an assignment when scheduled, the student will receive a zero. Late work will result either in an automatic grade reduction for that assignment, or may not be accepted (at the professor’s sole discretion). If an examination is missed with an acceptable reason, at the discretion of the Instructor, weighting of the previous or subsequent examination will be increased. The Instructor will consider circumstances, class attendance, participation, and other factors.

All written assignments will be prepared with a word processor and professional in appearance (neat, terms correctly used and spelled, complete sentences with proper punctuation, reference citations, etc.) Points are earned as follows:

Assignment	Number	Points (Each)	Total Points
Attendance/Participation	*	*	100
Group Cases/Presentations	2	50	100
Research paper	1	100	100
<u>Exams</u>	<u>2</u>	<u>150</u>	<u>300</u>
<b>Total</b>			<b><u>600</u></b>

The final semester grades for the course will be based on the following scale:

A	90-100%	540 - 600 points
B	80-89%	480 - 539 points
C	70-79%	360 - 479 points
D	60-69%	300 - 359 points
F	Below 60%	000 - 299 points

### **Exams:**

There will be two (2) proctored exams. No make-up exams will be given during the semester (regardless of whether your absence is excused or unexcused). If you miss the first exam, it is highly recommended that you drop the course. The Final Exam must be taken at the assigned time. Exams will cover topics identified, cases, class discussions, and other material. The final examinations are not cumulative.

### **Class Participation/Attendance:**

Students are expected to demonstrate his or her mastery of the covered material apart from exam scores. This can be accomplished by attending class, responding to questions and offering observations during class. **Class participation is very important** in this course where many of the situations which we will examine do not have clear-cut “right or wrong” answers. Your answer may often depend on your background, both spiritually and culturally. Therefore, class participation is essential to enhance your understanding of ethics and their impact on business. Students will be assessed on class participation and graded on the quality of their answers. This class participation grade will be a part of the expanded competency component.

Attendance requirements are explained in the TAMU-Commerce General Catalog and The Student Guidebook. Each student is expected to be present and to be prepared for each class. Students are expected to arrive on time. Students arriving late and/or leaving early will have points deducted. Attendance will help you pass! Most students need to attend class to gain understanding needed to pass the tests. When deciding whether or not to come to class, consider the following:

- There is a direct correlation between class attendance and grades;
- Class participation and homework do affect grades;
- This course material is very difficult to “catch-up” if you get behind;
- Consider this a job and it is your responsibility to attend class the same as you would go to work.

### **End of Chapter Problems/Discussion Questions:**

Each student is to read and prepare the assignments for each week in advance of the assigned Class Date. While I do not intend to collect these assignments, I reserve the right to collect these assignments without notice should I feel that students have failed to adequately prepare the material for class. Students who are unable to produce these assignments when if required will have their Participation Grade reduced by 10 points.

### **Research Project**

The purpose of the research project is to engage the students in contemporary ethical issues pertinent to business and accounting practice. The project will consist of an ethics case covering current business and accounting issues. Students will propose a topic to be approved in advance by the professor.

Students will submit a paper, **(graduate students enrolled in ACCT 530 will prepare between 15–20 pages and undergraduate students enrolled in ACCT 430 will prepare between 8-10 pages)**, (properly formatted and cited), discussing their findings. Students are expected to utilize electronic means such as databases and technology available through the library (e.g. Lexis/Nexis) to research the relevant moral and ethical issues associated with the issue. Students will be expected to integrate and apply various ethical theories discussed in class and to explain why these theories may lead to different outcomes.

### **Group cases (2):**

In an attempt to make the classroom material relate to the "real" world, each student will join a group of classmates. Groups will be responsible for researching, preparing and presenting two (2) different cases during the semester related to topics discussed in class. Groups will present during class beginning after the first examination. Exact topics, presentation dates, and group assignments will be made by the professor after the first week of class (once add/drop period is complete).

Specifically, groups will research, write a paper, and present to the class regarding current issues in Business Ethics for Accountants. For example, groups may be asked to summarize and analyze allegations of ethical lapses involving accountants or business persons (including not for profit and government employees).

You will be given a grade based on your presentation skill and content. The group will be assigned a group grade on the basis of the case and on the basis of an evaluation of your performance within the group. **Graduate students enrolled in ACCT 530 will additionally have the responsibilities of a leadership role in all group case work.**

### **Expanded Competencies:**

In addition to the course material, part of your grade will be based on your individual class participation, your performance within your group, writing ability, etc. These skills are important in your development as professionals.

In addition, there may be assignments that are not on the course assignment sheet. It is the student's responsibility to check with classmates or the instructor for work missed. Attendance and outside work assignments completed will be considered in determining grades, including each test. The instructor may take up homework assignments at will and these will be considered in determining the final grade. The taken-up assignments will not be accepted after the class period.

## STUDENT RESOURCES

### **Library Database Assistance:**

The library offers a web-based access. You can access this site at the following address:  
<http://www.tamuc.edu/library/>

Please take a look – you can access these resources and learn about using basic search skills, selecting the best databases for your needs, and accessing the databases both on-campus and off-campus.

If you have any questions or would like to offer some feedback, please contact:

Sarah Northam <Or another reference librarian>

Interim Head of Reference, Gee Library

Phone: 903/886-5714

Email: [Sarah.Northam@tamuc.edu](mailto:Sarah.Northam@tamuc.edu)

### **Disability:**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact:

**Office of Student Disability Resources and Services**

**Texas A&M University-Commerce**

**Gee Library**

**Room 132**

**Phone (903) 886-5150 or (903) 886-5835**

**Fax (903) 468-8148**

[StudentDisabilityServices@tamuc.edu](mailto:StudentDisabilityServices@tamuc.edu)

## COMMUNICATIONS

### **Email:**

Emails are the best way to contact me, and please INCLUDE THE COUSE NUMBER IN THE SUBJECT LINE. I am swamped with email generally and I am also bombarded by spam. To try and cut down on these – I have a filter on my inbox. This filter is intended to allow important and/or legitimate class related email through – but it sometimes inadvertently eliminates student e-mails. If you send an e-mail to me give me at least 48 hours (during the workweek) to respond. If you do not get a response then send again. I will not be offended if you “remind me” or alert me that have not responded to your email.

## POLICIES

### **Ethics:**

*“All students enrolled at the University shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.”* (See Student’s Guide Handbook, Policies and Procedures, Conduct).

Integrity is the hallmark of the accounting profession and will be stressed throughout the course. Any type of student breach of ethics, including but not limited to: illegal activity, dishonest conduct, cheating, plagiarism, or collusion, will result in failure of assignment or exam (F) and/or further academic sanction (i.e. failure of course (F), dismissal from class and/or referral to Dean of the College of Business and Technology) for additional academic sanctions.

A copy of the Academic Honesty Policy is posted in the Document Sharing section of eCollege. You are required to read, sign, and submit (via Dropbox) this document.

**Please note:** While I always take a dim view of cheating by students, particularly those who may one day represent the Accounting profession, I am extremely sensitive to the irony of cheating in an ethics class. By way of clarity, cheating includes, but is not limited to: plagiarism, use of test-banks/undistributed solutions/other unauthorized source materials, or unauthorized "group work." It bears repeating that any evidence of cheating will be met with a grade of zero on the particular assignment (*at a minimum*), reduced or failing grade in the class, dismissal from class and/or a referral Dean of the College. You have been warned.

**Withdrawals:**

University policy will be followed in regards to withdrawals during the semester. It is the student's responsibility to conform with the university rules relating to dropping or withdrawing from the course and all other polices.

**Changes to the Syllabus**

*This syllabus is subject to change as needed to meet the objectives or administration of the course at the discretion of the Professor. It is not anticipated that there will be any substantive changes.*

**Matrix and Rubrics:**

<b>Texas State Board of Public Accountancy Ethics Course</b>		
<b>Matrix</b>		
<i>Topical Coverage</i>	<i>Percentage of course devoted to TSBPA identified content</i>	<i>Method of Delivery (see notes)</i>
Ethical Reasoning	20	C, D, I, L, & R
Integrity	20	C, D, I, L, & R
Objectivity	15	C, D, I, L, & R
Independence	15	C, D, I, L, & R
Other Core Values	5	C, D, I, L, & R
AICPA, SEC, and TSBPA ethics rules	5	D, L, & R
Ethical Theory	10	C, D, I, L, & R
Other Topics	8	D & R
University mandated topics	2	D & L
<b>Total</b>	<b>100</b>	
Method of Delivery: (C) Case Studies; (D) Class Discussion; (G) Guest Speaker; (I) independent/Small Group Research; (L) Lecture; (R) Reading		



<b>GROUP PRESENTATION RUBRIC</b>			
<b>Topic</b>	<b>Possible Points</b>	<b>Grading Guide</b>	<b>Points Assigned</b>
Impact on the entity or person and also on society and accounting profession	0-10	<p><b>0=</b> Omitted any issues related to impact on society.</p> <p><b>4=</b> Identified minimal issues but failed to clearly articulate impact on society or profession.</p> <p><b>4=</b> Identified impact on entity or person, but failed to address impact on society.</p> <p><b>6=</b> Inadequately identified impact on the entity or person and also on society and accounting profession.</p> <p><b>8=</b> Identified Impact on the entity or person and also on society and accounting profession, but needed further explanation or analysis.</p> <p><b>10=</b> Effectively communicated the impact on the entity or person and also on society and accounting profession</p>	
Recommendations for earlier discovery and Prevention or Detection	0-10	<p><b>0=</b> None or improper recommendations discussed.</p> <p><b>3=</b> One recommendation provided without explanation.</p> <p><b>7=</b> two recommendations with explanation provided.</p> <p><b>10 =</b> Clearly identified and explained three or more appropriate recommendations for earlier detection and also</p>	
Presentation	0-15	<p><b>0 - 8</b> Failed to present or disrespectful while responding to questions. Improper business attire worn by all group members, speaker demonstrated little interest in conveying information to others, poor presentation (mumbling, etc.), or failed to demonstrate knowledge of case. Presentation was not within time allotted (i.e. to short or too long).</p> <p><b>9=</b> Poor visuals (too much information on slides, hard to read, unclear, etc.), unorganized, most but not all group members in proper business attire, failed to present within prescribed time frame, but demonstrated understanding of case.</p> <p><b>13=</b> Visuals needed improvement, answered most questions appropriately, demonstrated basic knowledge of impact on the entity or person, and also on society and accounting profession.</p> <p><b>15=</b> Well done visuals, demonstrated knowledge of case and impact on the entity or person and also on society and accounting profession, entire group in proper business attire, and speaker and group acted professionally.</p>	
Written Portion	0-15	<p><b>0 - 9</b> Difficult to read, unorganized, weak, lacks references, or not well developed. Paper contains material grammatical errors or gross mistakes and not well developed. Not fully developed, insufficient evidence or other flaws to undermine paper.</p> <p><b>12=</b> Paper organized, followed most APA guidelines, few grammatical errors, mostly easy to read, and identified most violations of AICPA and TSCPA violations, codes of conduct.</p> <p><b>15=</b> Paper was well written, organized, informative, easy to read, and followed APA format, including proper references. Identified violations of AICPA and TSBPA, codes of conduct or regulations and demonstration of ability to analyze ethical situation and related concepts.</p>	
<b>Total x2 Assignments</b>	<b>50 100</b>		

<b>HOMEWORK</b>			
Assignment	Possible Points	Grading Guide	Points Assigned
Chapter Cases	0 or (minus 10)	<b>Minus10 points (Participation Grade)</b> = Cases and/or Problems not turned in when required by professor	
<b>PARTICIPATION</b>			
Assignment	Possible Points	Grading Guide	Points Assigned
Engaged in class discussions	0-100	<b>0</b> = Did not participate in majority of class discussions or did not ask group questions <b>100</b> = contributed or and participated in majority of class discussions	
<b>Total</b>	<b>100</b>		

<b>RESEARCH PAPER</b>			
Assignment	Possible Points	Grading Guide	Points Assigned
Research Project	0-100	<p><b>0-29</b>=Difficult to read, unorganized, weak, lacks references, or not well developed.</p> <p><b>30-59</b>= Paper contains material grammatical errors or gross mistakes and not well developed.</p> <p><b>50-69</b>=Paper organized, not fully developed, insufficient evidence or other flaws to undermine paper.</p> <p><b>70-79</b>=Paper organized, followed most APA guidelines, few grammatical errors, mostly easy to read, and identified appropriate issues and most violations of AICPA and TSCPA violations or codes of conduct.</p> <p><b>80-89</b> = Paper organized, significantly followed APA guidelines, few grammatical errors, mostly easy to read, and identified relevant issues or violations of AICPA and TSCPA, codes of conduct and demonstration ability to analyze ethical situation and related concepts.</p> <p><b>90-100</b>=Paper was well written, organized, informative, easy to read, and followed APA format, including proper references. Identified issues or violations of AICPA and TSBPA codes of conduct or regulations and demonstration superior ability to analyze ethical situation and related concepts.</p>	
<b>Total</b>	<b>100</b>		

<b>EXAMS (2)</b>			
Assignment	Possible Points	Grading Guide	Points Assigned
Exam	0-150	<p><b>0-90</b>= Mastery of material not demonstrated. Answered questions incomplete or inaccurately.</p> <p><b>91-104</b>=Barely demonstrated basic understanding of some or of the material.</p> <p><b>105-119</b>=Provided acceptable level of informative or organized response. However, answers not fully developed. Demonstrated acceptable level of ethical reasoning, understanding of laws, ethics, codes of conduct, or moral reasoning</p> <p><b>120-134</b>=Demonstrated above average level of informative and organized response. Clearly articulated above average understanding of laws, ethics, codes, or conduct or moral reasoning.</p> <p><b>135-150</b>= Demonstrated superior level of informative and organized response. Clearly articulated superior understanding of laws, ethics, codes, or conduct or moral reasoning. Identified appropriate dilemma, considered all stakeholders, analyzed alternatives and consequences, and formulated exemplary course of action or recommendation.</p>	
<b>Total</b>	<b>150</b>		
<b>x2 Exams</b>	<b>300</b>		

*NOTE: Rubrics are guides and subject to change based on Instructor needs.*

**ACCT 430/530- ASSIGNMENT SCHEDULE (SPRING 2014)**

*Unless otherwise indicated, assignments are by the beginning of the assigned class meeting.  
Do not turn in Class Discussion Questions/assigned Cases. However, be prepared to answer when called upon.  
Assigned Chapters are in text.  
PAA = The Public Accountancy Act  
\* Group Assignments and presentation schedule will be distributed during class.*

<b>Date</b>	<b>Topic</b>	<b>Class Discussion Questions</b>	<b>Cases</b>
1/16	Course Introduction Ch 1 –Ethical Reasoning: Implications for Accounting	End of chapter Questions	Even numbered cases
1/23	Ch 2 – Accountants Ethical Decision Process and Professional Judgment PAA: Subchapters A, B, C, & D	End of chapter Questions	Odd numbered cases
1/30	Ch 3 – Corporate Governance and Ethical Management	End of chapter Questions	Even numbered cases
2/6	Ch 3 – Corporate Governance and Ethical Management <b>DUE : Research Topic for Approval via email</b>	End of chapter Questions	Even numbered cases
2/13	Ch 4 – AICPA Code of Professional Conduct PAA: Subchapters E, F, & G	End of chapter Questions	Odd numbered cases
2/20	<b>Exam I - Chapters 1-3 &amp; PAA Subchapters A-D</b>		
2/27	Ch 4 – AICPA Code of Professional Conduct Group Presentations*	End of chapter Questions	Odd numbered cases
3/6	Ch 5 – Audit Responsibilities and Accounting Fraud Group Presentations*	End of chapter Questions	Even numbered cases
3/13	<b>SPRING BREAK –No Class</b>		
3/20	Ch 6 – Legal and Regulatory Obligations in an Ethical Framework Group Presentations*	End of chapter Questions	Odd numbered cases
3/27	Ch 6 – Legal and Regulatory Obligations in an Ethical Framework PAA: Subchapters H, I, J, K Group Presentations* <b>DUE: Research Paper by 9PM via DropBox</b>	End of chapter Questions	Odd numbered cases
4/3	Ch 7 – Earnings Management and the Quality of Financial Reporting Group Presentations*	End of chapter Questions	Even numbered cases
4/10	Ch 7 – Earnings Management and the Quality of Financial Reporting PAA: Subchapters L, M, and appendix Group Presentations*	End of chapter Questions	Even numbered cases
4/17	Ch 8 –International Financial Reporting: Ethics and Corporate Governance Considerations Group Presentations*	End of chapter Questions	Odd numbered cases
4/24	Ch 8 –International Financial Reporting: Ethics and Corporate Governance Considerations Group Presentations*	End of chapter Questions	Odd numbered cases
5/1	Course wrap up Group Presentations*		
5/8	<b>Exam II</b> Chapters 4-8 & PAA Subchapters E - M		

