

**Texas A & M University – Commerce**  
**College of Business and Entrepreneurship**  
**Department of Accounting**  
**Syllabus**  
**Business Ethics for Accountants**  
**ACCT 430 81E & ACCT 530 81 E**  
**Call #21362 & #21587**

**Spring 2016**

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Office hours: Tuesdays 10am – 2pm and Wednesdays 5-6pm  
Course Meeting Day/Time/Room: Tuesday 6:15-8:55 pm, UCD

**Course Description:**

This course is designed to provide an overview of business ethics in relation to the accounting profession. Ethical reasoning, cognitive processes and ethical decision making along with its effect on corporate governance are discussed.

**Course Materials:**

**Required Text:**

Mintz, S. M., & Morris, R.E. 3rd Edition. *Ethical Obligations and Decision Making in Accounting*. McGraw Hill (ISBN: 978-0-07-786221-3, ISBN: 0-07-786221-X).

**Recommended as Supplemental Material:**

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

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

TSBPA – Rules of Professional Conduct

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

[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=3&ti=22&pt=22](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=3&ti=22&pt=22)

AICPA Professional Standards: Code of Professional Conduct

<http://www.aicpa.org/research/standards/codeofconduct/pages/default.aspx>

**Qualified Educational Credit for the CPA Exam**

This course has been approved by the Texas State Board of Public Accountancy as meeting Board Rule 511.58(c). Students who take this course may be assured that

the Board will recognize it in meeting the ethics requirement to take the Uniform CPA exam.

### **Course Embedded Objectives:**

Your achievement level for each objective will be measured by your success in completing the assignments and exams. The successful student, upon completion of this course, will be expected to have achieved the following as a result of this course:

- Understand the meaning of ethics and why ethics is important.
- 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 stakeholders, the issues involved, and the process for making an ethical decision.
- Understand the effect of ethics on corporate governance and the accounting profession
- Understand the legal liability issues that accountants face and the impact on professional ethics

### **Student Responsibilities:**

1. Read assigned material on schedule
2. Check eCollege for announcements and other information
3. Prepare for class discussions and examinations.
4. Participate in all case discussions

### **Course Evaluation:**

Grades will be based upon the following items:

Case Discussion/Homework	30%
First Exam	25%
Second Exam	25%
Research Paper	20%

Grading scale: 90 - 100% =A, 80 - 89% =B, 70 - 79% =C, 60 - 69% =D and <60% =F. Your grade will be based on the activities above and weighted accordingly.

## Matrix:

<b>Texas State Board of Public Accountancy Ethics Course Matrix</b>		
<i>Topical Coverage</i>	<i>Percentage of course devoted to</i>	<i>Method of Delivery (see notes)</i>
Ethical Reasoning	15	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	15	C, D, I, L, & R
AICPA, SEC, and TSBPA ethics	5	D, L, & R
Ethical Theory	10	C, D, I, L, & R
Other Topics	3	D & R
University mandated	2	D & L
Total	100	
Method of Delivery: (C) Case Studies; (D) Class Discussion; (G) Guest Speaker;		

## Homework Assignments:

Homework will be assigned after every unit so that you may reinforce the concepts learned so please complete all assigned homework. No late assignments will be accepted. For face-to-face classes, you are expected to complete the homework before class and be prepared to discuss it in class. Failure to complete the assignment will result in no credit for the assignment. In addition the lack of participation affects class discussion of important concepts or issues we will discuss in class.

## Discussions

For the online class we will be using **Class Live Pro** at times during the semester to discuss the chapters and case assignments, however we will mostly be having a weekly case discussion via the Discussion tab of each unit so everyone has the ability to respond to the question/topic being covered in that unit. Participation in the case discussion for each chapter (unit) is **mandatory** and everyone is expected to provide insightful comments and recommendations as well as respond to at **least one other student's response**. This does NOT mean simply responding "I agree or disagree" but providing an explanation/ reasoning as to your answer. Please watch for **announcements** in eCollege and in emails for reminders relating to the discussions and class live sessions and any other requirements. All discussion postings need to be posted at the latest 2 days before the due date in order to give everyone a chance to post a response to other students' comments.

For classes that have a face-to-face format, the students should be prepared to discuss the cases in class and present the overall ethical dilemma. On some

occasions students will be placed in groups in order to resolve the ethical situations which they will then present in class.

### **Examinations:**

Two exams will be given during the semester. The exams will cover specific chapters as we cover the material during the semester. The exams will be similar to the homework and cases discussed in class. There are **no** make-ups for the two exams.

### **Research Paper:**

Each student will be required to write a research paper on an ethical dilemma or scandal. The purpose of the research paper is twofold: 1) to engage students in ethical issues pertinent to business and the accounting profession; 2) have students provide evidence of their ability to identify an ethical scandal and analyze the underlying ethical reasoning for the occurrence of the dilemma. The student should be able to apply the concepts learned in class in order to explain how and why the ethical scandal/dilemma occurred. You may choose the topic you wish to write about however please refrain from using Enron or WorldCom as these cases are already widely discussed today. You will need to get approval from the Professor on your choice of topic. The paper should discuss the ethical dilemma, the effect and consequences of the ethical act and the outcome of the case. In addition you should discuss what you would have done differently or how you would have acted in that scenario. Graduate students enrolled in ACCT 530 will prepare a 10-15 page paper while those enrolled in ACCT 430 will prepare an 8-12 page paper. The document should use a font size of 12 and one-inch margins and be double spaced. Additional requirements and expectations will be provided throughout the semester.

Students are expected to use electronic means such as databases and journal articles to research their relevant topic. Several theories will also be explained throughout the semester so students are expected to use these theories to support their reasoning and arguments related to the ethical dilemma being researched. The paper must demonstrate a mastery of the basic writing mechanics, be free of grammatical errors and supported by proper references. Please follow APA guidelines when writing the research paper. Wikipedia and Investopedia are not proper academic sources, therefore academic research articles should be your main source of research support. All papers will be submitted through Turnitin in eCollege via the drop box. Papers in excess of 15% of originality will not be accepted.

## **Plagiarism**

Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an "F" for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting another individual's writing and the proper citing of sources can be found in the APA publication Manual.

## **University Policies and Procedures:**

### ***Students with Disabilities:***

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)

***Ethics:*** 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. All students are required to read, sign and submit the Academic Honesty Policy form via the drop box the first week of class.

*“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).

***Non-discrimination:*** A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

***Other:*** 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.

## **Email Policy**

This is either a web-enhanced course or an online course utilizing eCollege. You may e-mail me as well as any student in the class by utilizing the e-mail feature in eCollege. Please write the number of the course and your name on all correspondence and any homework you submit. I will be communicating with you using your myLeo account that is provided by the university. Please check your e-mail frequently. The professor is NOT responsible for any technical difficulties experienced during the course. The quickest manner in which to get in touch with me is through email as I check the class in the mornings and in the evenings only.

The following schedule lists the specific assignments for the course. 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.

### **Class Schedule and Assignments ACCT 530/430 – Spring 2016**

**\*\* All readings should be completed prior to coming to class on the assigned day. The syllabus is subject to change at the discretion of the professor as needed to meet the objectives of the course. It is not anticipated that there will be any substantive changes.**

#### **Chapter 1 Ethical Reasoning**

**Jan 19, 2018**

- Overview of Class expectations
- Class Lecture on Ch 1 – Please Read Chapter 1 on Ethical Reasoning prior to class

**Jan 26, 2015**

- Read additional assigned Readings (see attached list)
- Homework: Answer odd numbered Discussion questions at end of the chapter 1
- Discussion: Answer Cases 1-1, 1-4, 1-6 and 1-7. Class discussion on cases.

#### **Chapter 2 Cognitive Processes**

**Feb 2**

- Guest speaker – CPA/Accounting firm (6:15 – 7:30 pm)
- Read Chapter 2

**Feb 9**

- Read assigned articles for Ch 2 (See attached list)
- Homework: Answer odd numbered Discussion questions at end of the chapter
- Discussion: Answer Cases 2-2, 2-4, 2-6, and 2-7

#### **Chapter 3 Ethical Environment and Corporate Governance**

**Feb 16**

- Read Chapter 3
- Read additional assigned readings
- Homework: Answer odd numbered Discussion questions at end of the chapter

**Feb 23**

- Discussion: Answer Cases 3-1, 3-2, 3-7, 3-8
- Complete Chapter 3 discussion

**Unit 4 AICPA Code of Professional Conduct**

**Feb 23**

- Read Chapter 4
- Homework: Answer odd numbered Discussion questions at end of the chapter
- Discussion: Answer Cases 4-2, 4-4, 4-6, 4-8

**March 1 Exam I (Chapters 1- 4)**

**Unit 5 Fraud in Financial Statements**

**March 8**

- Read Chapter 5
- Read additional assigned readings (see attached list)
- Homework: Answer odd numbered Discussion questions at end of the chapter
- Discussion: Answer Cases 5-1, 5-2, 5-5

**Spring Break March 14- March 20**

**Unit 6 Legal, Regulatory and Professional Obligations of Auditors**

**March 22**

- Finish Chapter 5 discussion and cases
- Read Chapter 6

**March 29**

- Homework: Answer odd numbered Discussion questions at end of the chapter
- Discussion: Answer Cases 6-2, 6-3, 6-5, 6-6

**Unit 7 Earnings Management and Quality of Financial Reporting**

**April 5**

- Read Chapter 7
- Read additional assigned readings (see attached list)

**April 12**

- Homework: Answer Discussion questions at end of the chapter
- Discussion: Answer Cases 7-1, 7-3, 7-5, 7-7

**Unit 8 Intl Fin. Reporting and Corporate Governance**

**April 19**

- Read Chapter 8
- Read additional readings on IFRS and Culture
- Homework: Answer Discussion questions at end of the chapter
- Discussion: Answer Cases 8-2, 8-3, 8-4

**April 26** Research paper presentations. Research paper is due before class.

**May 3** Exam II (Chapters 5-8)

**ACCT 530/430 Course Objectives Rubric**

**ACCT 530 Business Ethics for Accountants**

<b>Criteria (Course Objectives)</b>	<b>3 Exceeds Expectations</b>	<b>2 Meets Expectations</b>	<b>1 Does Not Met Expectations</b>
Demonstrate an understanding of the meaning of ethics and why ethics is critical to the accounting profession.	Student demonstrates an excellent understanding of the meaning of ethics and its importance to the accounting profession.	Student demonstrates some understanding of the meaning of ethics and its importance to the accounting profession.	Student does not demonstrate an understanding of the meaning of ethics and its importance to the accounting profession.
Demonstrate an understanding of the tools and techniques for analyzing ethical situations and the process used to make ethical decisions.	Student demonstrates a great understanding of the tools for analyzing ethical situations and the process for making ethical decisions.	Student demonstrates a partial understanding of the tools for analyzing ethical situations and the process for making ethical decisions.	Student does not demonstrate an understanding of the tools for analyzing ethical situations and the process for making ethical decisions.



Demonstrate an understanding of the AICPA Code of Conduct and the Texas Rules of Conduct.	Student understands the rules of conduct required by the AICPA and Texas Code of Conduct.	Student partially understands the rules of conduct required by the AICPA and Texas Code of Conduct.	Student does not understand the rules of conduct required by the AICPA and Texas Code of Conduct.
Research relevant ethical and professional issues.	Student has researched a relevant ethical issue.	Student has partially researched a relevant ethical issue.	Student has not researched a relevant ethical issue.

## Business Ethics for Accountants 530/430 – Grading Rubric

	<b>Exceeds Standards</b>	<b>Meets Minimum Standards</b>	<b>Fails to Meet Standards</b>
<p><b>Case discussion/Participation (25%)</b> Participation in resolution of case discussion assignments, application of concepts learned.</p>	Completed all case work assignments, was able to apply the proper concepts and formulas in order to resolve the problems.	Attempted the case work and partially resolved the problems, shows some understanding of the topics covered	No case discussion was submitted and/or did not participate in classroom discussions.
<p><b>Exams (25% each first and second exams) – total 50%</b> There are three exams, each covering specific chapters assigned. Grade will be based on correctness of answer as well as the process and formulas/concepts used to arrive at answer.</p>	Answer was correct and student demonstrated knowledge of proper concepts in resolving the exercises.	Answer was correct however student did not apply the proper concepts in resolving the exercise.	Fails to answer the problem correctly and shows minimal knowledge of subject matter.
<p><b>Research paper (25%)</b></p>			
	<b>Exceeds Standards</b>	<b>Meets Minimum Standards</b>	<b>Fails to Meet Standards</b>
<p><b>Effective written communication</b> Paper is written according to instructions, follows APA format and proper use of punctuation and grammar.</p>	Paper was clear and prepared according to the syllabus. Followed APA format, and had minimal grammatical mistakes.	Meets basic criteria of research paper guidelines and follows APA format. Has many grammatical mistakes.	Meets some of the basic criteria for the paper, but fails to follow APA format. Has many grammatical mistakes and hard to read and understand.

<p>Demonstrates an understanding of the literature and readings and applies it in the paper</p>	<p>Uses the proper theories/concepts in the research paper to support arguments.</p>	<p>Uses one or two of the applicable theories and demonstrates an understanding of the literature.</p>	<p>Does not demonstrate an understanding of the literature and does not apply it in the paper.</p>
<p>Paper is written in a logical manner and addresses all the requirements in the syllabus.</p>	<p>Paper addresses all the points in the syllabus and is well written.</p>	<p>Student partially addresses the points indicated in the syllabus and the paper is written adequately.</p>	<p>Did not submit a research paper, is partially written or only includes one or two of the stipulated requirements.</p>