

Texas A & M University – Commerce
Department of Accounting & Finance
Syllabus
Business Ethics for Accountants
ACCT 430 81B
Spring 2022

Professor: Dr. Caroline Hartmann
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Office hours: virtual or by appointment.
Course Meeting Day/Time/Room: MW 11:00 am – 12:15 pm

MANDATORY MEETING FOR ACCOUNTING MAJORS

When: March 31st face to face in Commerce or online on April 4th, 2022

Time: TBD.

*All accounting majors enrolled classes are required to attend this meeting. Please select a date.

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. 5th Edition. *Ethical Obligations and Decision Making in Accounting*. McGraw Hill (ISBN: 978-1-259-96946-1). The Connect software is **NOT** required. PLEASE ENSURE YOU ARE NOT USING THE INTERNATIONAL EDITION.

OPTIONAL

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

TSBPA – Rules of Professional Conduct

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

AICPA Professional Standards: Code of Professional Conduct

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.

CPA Exam Candidates - State of Texas

Candidates who desire to sit for the CPA in Texas must meet the following educational criteria: 1) Have a bachelor's degree; 2) Completed 150 semester hours of courses; 3) Included in the 150 semester hours, 30 of upper level accounting courses, 24 hours of upper level business courses, 3 semester credit hours of approved ethics, 2 semester credit hours of approved communication and 2 semester hours of approved accounting research. You are no longer required to have certain number of accounting hours in a face-to-face format. For more information visit Exam/Qualification on the State Board's website: <http://www.tsbpa.state.tx.us/>

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 D2L 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 postings	20%
Article discussion postings	20%
First Exam	20%
Second Exam	20%
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.

Homework Assignments:

Homework will be assigned after every unit so that you may reinforce the concepts learned so please complete the assigned questions at the end of the chapter. You are NOT required to submit the answers to the discussion questions at the end of the chapter.

Case Discussions

For the online class we will be using **Zoom** at times during the semester to discuss the chapters and case assignments, however we will mostly be having a weekly or bi-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 D2L 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 1-2 days before the due date in order to give everyone a chance to post a response to other students' comments.**

Article Discussion Postings

You will be required to read a few articles related to the topics discussed in some of the chapters. A list of articles will be assigned at the beginning of the semester and will be available for you in the course content section of the course. You will need to respond to the question(s) asked related to these readings in the discussion tab that is created for each chapter. Please note that NOT all chapters have assigned readings. I will be sending out reminders regarding these assignments.

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. If you plan to miss an exam due to extenuating circumstances you must notify the professor prior to the exam to set up a time to take the exam. If you miss the exam a 10 point penalty will be given for any late exams.

Research Paper:

Each student will be required to write a research paper on an ethical dilemma. The purpose of the research paper is to engage students in ethical issues pertinent to business and the accounting profession. You may choose the topic you wish to write about however please refrain from using Enron, WorldCom, Lehman Brothers, and Waste Management 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. You must use at least two of the ethical theories discussed in class to explain the reason and circumstances the individuals involved were able to commit the unethical acts that took place. In addition, you should provide recommendations on how to reduce the likelihood of the unethical scenarios occurring in the future. Sample research papers will be provided in D2L so you are aware of the expectations of the paper. **There will be a 10 point penalty for all research papers submitted late.**

Undergraduate students enrolled in ACCT 430 will prepare an 8-12 page paper not including title page, abstract and reference page. The document should use a font size of 12 and one-inch margins and be double spaced. It should include an Abstract and Conclusion section within the paper. All students are expected to use proper grammar and English language. If English is not your first language please make sure to have it proof-read. You have the option of sending a draft for me to review and provide feedback before you submit the final research paper at the end of 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 D2L 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 162 , Phone (903) 886-5150 or (903) 886-5835, Fax (903) 468-8148, 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.

Health and Safety of Students and Faculty

The health and safety of our students, faculty and staff is of the utmost importance to everyone at Texas A&M University-Commerce. If you need medical attention and it is not an emergency, students should contact Student Health Services at 903.886.5853 to set up an appointment, and faculty and staff should contact their personal healthcare provider. Every person on campus is expected to self-monitor for symptoms of possible COVID-19 infection. These symptoms are posted on signage around campus and on the Stay Healthy Lions website at tamuc.edu/coronavirus. Students experiencing any possible COVID-19 symptoms should not attend class or labs in-person and should call Student Health Services at 903.886.5853. Faculty and staff experiencing possible COVID-19 symptoms should contact their supervisor. If you believe you have been exposed to COVID-19, students are expected to contact Student Health Services, and faculty and staff are expected to contact the Emergency Operations Center, within 24 hours of the exposure.

Face coverings will be required: - In all classrooms and labs (**though the faculty member in charge of the class or lab may make exceptions**) - The Student Health Services center and any place health services are provided on campus - On the campus shuttle - Where social distancing is not feasible - Other locations where indicated by signage as may be determined by the Dean, Director or other senior leader overseeing that location You may wear any face covering so long as it covers your nose and mouth. Each student, faculty and staff member will be given a cloth face mask at the beginning of the semester. The university will try to procure more and strongly encourages everyone to find other cloth or disposable face coverings. If a student does not wear a face covering where required, they may be reported to the Office of Students Rights and Responsibilities and may be subject to discipline in accordance with the Student Code of Conduct. If a faculty or staff member does not wear a face covering where required, please notify his/her supervisor.

A&M-Commerce Supports Students’ Mental Health

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center’s crisis

assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel

Email Policy

This is an online course utilizing D2L. You may e-mail me as well as any student in the class by utilizing the e-mail feature in D2L. 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.

Concealed Carry Policy

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to (<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedures/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

Class Schedule and Assignments ACCT 430 81B – Spring 2022
1/12/2022– 05/13/2022

**** All readings should be completed prior to the class live session. 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 (January 12th – January 23rd, 2022)

- Read Chapters 1
- Answer Cases 1-1 (Harvard Cheating Scandal), 1-9 (Cleveland Custom Cabinets)

Assignments are due January 23rd by 11:59 pm.

Chapter 2 Cognitive Processes & Ethical Decision Making (January 24 – January 30th)

- Read Chapter 2
- Read assigned article (Thomas, 2012) and answer question on the discussion board. See additional readings file labeled Spring 2022 in content section of the course and answer question on discussion board.
- Answer Cases 2-6 (Harvey Weinstein), and 2-10 (WorldCom)

Assignments are due January 30th by 11:59 pm

Chapter 3 Organizational Ethics and Corporate Governance (January 31 – February 13, 2022)

- Read Chapter 3
- Read additional assigned readings (Abbott et al 2004; Hayek, 2018) and answer questions on the discussion board.
- Answer Cases 3-7 (Olympus Corp.), and 3-8 (Halliburton)

Assignments are due February 13th by 11:59 pm

Chapter 4 Ethics in Professional Judgment in Accounting (February 14th – February 27th, 2021)

- Read Chapter 4
- Answer Cases 4-7 (Romance at EY), and 4-9 (Eminent Domain).

Assignments are due February 27th by 11:59 pm.

Exam I (Chapters 1- 4) due March 3rd, 2022.

Chapter 5 Fraud in Financial Statements & Auditor Responsibilities (February 28th – March 13th, 2022)

- Read Chapter 5
- Read additional assigned readings (Beasley 1996, Sharma 2004) and answer question on discussion board
- Discussion posting: Answer Cases 5-2 (ZZZZ Best), and 5-9 (Weatherford International).

SPRING BREAK MARCH 14 – MARCH 20TH, 2022

Chapter 6 Legal, Regulatory and Professional Obligations of Auditors (March 21 – April 3rd, 2022)

- Read Chapter 6
- Answer Cases 6-4 (Anjoorian), and 6-5 (Vertical Pharmaceuticals)

Chapter 7 Earnings Management and Quality of Financial Reporting (April 4 –April 17, 2022)

- Read Chapter 7
- Read additional assigned readings (Frankel et al 2002, Bedard et al 2004) and answer discussion posting
- Answer Cases 7-1 (Nortel Networks), and 7-6 (TierOne Bank)

Chapter 8 Ethical Leadership & Decision Making in Accounting (April 18 – May 1, 2022)

- Read Chapter 8
- Answer Cases 8-3 (KPMG Tax Shelter), and 8-4 (Krispy Kreme Donuts)

Research Paper and Exam II (May 2 – May 13, 2022)

Research paper is due **May 8th, 2022.**

Exam II (Chapters 5-8) is due **May 11th, 2022**

ACCT 430 Course Objectives Rubric

**ACCT 430
Business Ethics
for Accountants
Criteria (Course
Objectives)**

Demonstrate an understanding of the meaning of ethics and why ethics is critical to the accounting profession.

Demonstrate an understanding of the tools and techniques for analyzing ethical situations and the process used to make ethical decisions.

Demonstrate an understanding of the AICPA Code of Conduct and the Texas Rules of Conduct.

Research relevant ethical and professional issues.

**3 Exceeds
Expectations**

Student demonstrates an excellent understanding of the meaning of ethics and its importance to the accounting profession.

Student demonstrates a great understanding of the tools for analyzing ethical situations and the process for making ethical decisions.

Student understands the rules of conduct required by the AICPA and Texas Code of Conduct.

Student has researched a relevant ethical issue.

**2 Meets
Expectations**

Student demonstrates some understanding of the meaning of ethics and its importance to the accounting profession.

Student demonstrates a partial understanding of the tools for analyzing ethical situations and the process for making ethical decisions.

Student partially understands the rules of conduct required by the AICPA and Texas Code of Conduct.

Student has partially researched a relevant ethical issue.

**1 Does Not Met
Expectations**

Student does not demonstrate an understanding of the meaning of ethics and its importance to the accounting profession.

Student does not demonstrate an understanding of the tools for analyzing ethical situations and the process for making ethical decisions.

Student does not understand the rules of conduct required by the AICPA and Texas Code of Conduct.

Student has not researched a relevant ethical issue.