

East Texas A & M University
Business Ethics for Accountants
ACCT 530 01W
Spring 2025

Professor: Dr. Caroline Hartmann

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Office hours: Tuesday, Wednesdays and Thursdays 8:30 -10:30 AM by zoom (see attached link), otherwise by appointment.

<https://tamuc.zoom.us/j/4401822877>

Course Meeting Day/Time/Room: Virtual

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. 6th Edition. *Ethical Obligations and Decision Making in Accounting*. McGraw Hill. The Connect software is **NOT** required. The ebook is included in D2L as part of Inclusive Access and is included in your tuition. You do NOT need to purchase a separate textbook.

Required: Texas State Board of Public Accountancy Ethics Rules.

[https://texreg.sos.state.tx.us/public/readtac\\$ext.ViewTAC?tac_view=3&ti=22&pt=22](https://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=22&pt=22)

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.

Final Examination for the Master's/Specialist Degree

All candidates must satisfactorily pass a comprehensive examination covering all the work within their master's/specialist degree programs. The Final Examination report for the Master's/Specialist Degree is submitted to The Graduate School at least three weeks prior to graduation.

College of Business Student Learning Outcomes:

1. Our graduates will be competent business communicators (Written)
2. Our graduates will have the interpersonal competencies necessary to be analytical problem solvers in business (Analyze legal and ethical and global impacts of business decisions).
3. Our graduates will be effective business decision makers (Analyze and integrate relevant information to propose recommendations to ethical scenarios).

COB Student Learning Outcomes (SLOs)	Course Outcomes - After successfully completing this course, students will be able to:	Measurement Methods (Outcome Assessments)
1, 2, 3	<ul style="list-style-type: none"> • Understand the meaning of ethics and why ethics is important. • Develop an understanding of various aspects of moral reasoning and use moral reasoning to identify unethical behavior. • Identification of stakeholders, the issues involved, and the process for making an ethical decision. • Provide recommendations to address ethical scenarios. • Explain how corporate governance mechanism can influence ethical behavior. • Discuss how to mitigate legal liability issues that accountants face and how these issues impact professional ethics. 	<ul style="list-style-type: none"> • Experiential Case Discussions • Research Paper Assignment • Exams

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 (16)	30%
Article discussion postings (5)	20%
First Exam	15%
Second Exam	15%
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.

Case Discussions

For the online class we will be using **Zoom** during the semester to discuss the chapters and case assignments. Please refer to the schedule of live classed posted on D2L for dates and times. Part of your assignments will consist of weekly or bi-weekly case discussions via the Discussion tab of each unit related to the topic assigned. 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 consist of short answer or open-ended questions where you will need to apply the material learned. 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.

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, Freddie Mac, Fannie Mae 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 three of the ethical theories (i.e teleology, Rest's EDM model) discussed in class to explain the reason and circumstances the individuals involved were able to commit the unethical acts that took place.
- You must also discuss how the style of ethical leadership contributed to the individual(s) ability to act unethically.
- In addition, you should provide recommendations/preventive measures on reducing 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.**

Graduate students enrolled in ACCT 530 will prepare **a min of 10 page paper NOT including cover page, abstract and references.** 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. Graduate students are expected to use proper grammar and English language and to be able to communicate effectively in a written format. 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 and AI Use

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.

Texas A&M University-Commerce acknowledges that there are legitimate uses of Artificial Intelligence, ChatBots, or other software that has the capacity to generate text, or suggest replacements for text beyond individual words, as determined by the instructor of the course. Any use of such software must be documented. Any undocumented use of such software constitutes an instance of academic dishonesty (plagiarism). Students are fully responsible for the content of any assignment they submit in this course, regardless of whether they used an AI, in any way. This specifically includes cases in which the AI plagiarized another text or misrepresented sources.

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.

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 – Spring 2025 January 13, 2025 – May 9, 2025

**** All readings should be completed prior 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 (January 13 – January 19, 2025)

This chapter discusses integrity, morals and values, the six pillars of character, ethical theories, ethics and professionalism in the Accounting Profession.

- Respond to discussion posting on the discussion board for the following ethical dilemma cases: 1-1 (Operation Varsity Blues) and 1-5 (Lottery Bonanza)
- Be sure to respond to at least one classmate's response for each of the case discussions.
- Take the Ethics IQ Test that appears at the end of Chapter 1 text.

Assignments are due January 19 by 11:59 pm.

Chapter 2 Cognitive Processes & Ethical Decision Making (January 20 – February 2, 2025)

This chapter examines behavioral ethics, cognitive and ethical decision-making processes and the role of organizational ethical culture and climate.

- Respond to discussion posting on the discussion board for the following cases: 2-6 (Harvey Weinstein) and 2-8 (Chef's Delight).
- Read assigned article (Thomas, 2012) and respond to question on discussion board.
- Be sure to respond to at least one classmate's response.

Assignments are due February 2 by 11:59 pm.

Chapter 3 Organizational Ethics and Corporate Governance (February 3 – February 16, 2025)

This chapter introduces the concept of fraud and discusses the importance of integrity and trust in the workplace and the ethical and legal responsibilities of officers and directors. How social responsibility influences organizational and individual behavior are also addressed.

- Read additional assigned readings (Hartmann & Carmenate 2020) and answer questions on the discussion board.
- Discussion posting: Answer Cases 3-5 (Theranos) and 3-10 (Cheating on Internal Training Exams at KPMG) on the discussion board. Be sure to respond to at least one classmate's response.

Assignments are due February 16 by 11:59 pm.

Chapter 4 AICPA Code of Professional Conduct (February 17 – February 23, 2025)

This chapter discusses the link between professional judgment and the AICPA code of Professional Conduct. It also examines the AICPA independence standards and the threats and relationships that impair independence. The Texas Board of Public Accountancy and SEC rules are also reviewed.

- Respond to discussion posting on Cases 4-7 (Sexual Harassment at EY) and 4-10 (Johnson Pharmaceuticals) on the discussion board. Be sure to respond to at least one classmate's response.

Assignments are due February 23 by 11:59 pm.

Exam I (Chapters 1- 4) due February 26, 2025

Chapter 5 Fraud in Financial Statements and Auditor Responsibilities (February 24 – March 9, 2025)

This chapter discusses financial statement fraud, the fraud triangle, fraud considerations and risk assessments, and the role of internal controls and the audit committee as it relates to fraud risk. Lastly, audit reports and auditing standards are reviewed as well as the limitations of the various types of audit reports.

- Read additional assigned reading (Hayek & Atinc 2018) and answer question on discussion board
- Discussion posting: Answer Cases 5-7 (Diamond Foods) and 5-10 (Potential Fraud at EP Sports) on the discussion board.

Assignments are due March 9 by 11:59 pm.

SPRING BREAK March 10 – March 16, 2025

Chapter 6 Motivation for Fraudulent Financial Reporting (March 17 – March 30, 2025)

This chapter discusses the motivation and ethics of managing earnings, ethics quality, financial shenanigans and non-GAAP financial metrics.

- Read additional assigned reading (Ghosh et al. 2010) and answer discussion posting
- Discussion posting: Answer Cases 6-2 (Solutions Network) and 6-9 (North face), on the discussion board.

Assignments are due by March 30 by 11:59 pm.

Chapter 7 Consequences of Earnings Management: The Need for Ethical Leadership (March 31 – April 13, 2025)

This chapter examines financial statement restatements and types of ethical leaders. Integrity and ethical leadership in the Accounting Profession are discussed.

- Read assigned reading (Bedard et al. 2004) and answer question on discussion board
- Discussion posting: Answer Cases 7-5 (Kraft Heinz) and 7-6 (New Leadership at GE)

Assignments are due April 13 by 11:59 pm.

Chapter 8 Auditors' Legal Liabilities and Defenses (April 14 – April 27, 2025)

This chapter focuses on the legal liabilities of accountants, auditor defenses to negligence and fraud, statutory liability and common law liability.

- Discussion posting: Answer Cases 8-3 (QSGI) and 8-10 (Biotechnologies) on the discussion board

Assignments are due April 27 by 11:59 pm.

Research Paper and Exam II

Research paper is due **May 4th.**

Exam II (Chapters 5-8) is due **May 7th.**