



Accounting and Business Ethics ***ACNT 1340***

Instructors: **Mark Weldon Whitten,**
 Professor of Philosophy
 B. A. Baylor University
 M. Div. Southwestern Baptist Theological
 Seminary
 Ph.D. Baylor University

Charles M. Rohr, CPA
 Adjunct Instructor of Accounting
 B.B.A. University of Cincinnati
 M.B.A. University of Cincinnati

Phone: **936-273-7492**

Office: **LSC - Montgomery**
 Building A, Suite 200 #K

Office **9:00 to 2:30 p.m. MTWThF**
Hours: **5:30 to 5:50 p.m. Tuesdays**

Email: **mark.w.whitten@lonestar.edu** **charles.m.rohr@lonestar.edu**

Web Page: **www.lonestar.edu/blogs/mwhitten**
 (contains syllabus and class resources)

Materials Needed: **Ethics for CPAs – Meeting Expectations in Challenging Times**, by
 Dan M. Guy, D. R. Carmichael & Linda Lach, John Wiley & Sons,
 Inc. 2005
 The Elements of Moral Philosophy, by James Rachels, 5th edition,
 McGraw-Hill 2007
 Business & Professional Ethics for Directors, Executives &
 Accountants, 5th edition, by Leonard J. Brooks, Thomson-Southwestern
 2010.

Course Description and Objectives:

This course will serve as a general introduction to professional ethics in the accounting and business environments. We will discuss the fundamental ethical issues of business and society, the roles and responsibilities of accounting and auditing professionals, ethical behavior by management, and legal and professional guidelines that address the ethical concerns of society.

Qualifying Educational Credit for CPA Examination:

The Texas State Board of Public Accountancy (TSBPA) awarded Lone Star College System (LSC) the designation to offer “Qualifying Educational Credit for the CPA Examination.” Eleven of the LSC accounting courses meet the TSBPA’S definition of upper-division accounting courses required to take the CPA exam. This designation allows individuals who have already earned a baccalaureate or higher degree from a recognized educational institution to gain the thirty (30) advanced accounting hours required to qualify for the CPA exam. The individual shall earn the “certificate in accounting” designation and at least 15 of these hours must result from physical attendance at classes meeting regularly on the campus. Contact the accounting department of any LSC college for specific information, advising, and recommended sequencing of courses.

Ethics Courses Accepted by the Board:

This course was evaluated by the Qualifications Committee and approved by the Texas State Board of Public Accountancy (TSBPA) to meet the criteria as defined by Board Rule 511.58(c). “In addition to 21 hours of related business courses, the board requires that 3 passing semester hours be earned as a result of taking a course in ethics. This course must be taken at a recognized educational institution and should include core values such as ethical reasoning, integrity, objectivity and independence.”

Instructional Methodology:

The objectives of this course will be met by incorporating a variety of instructional methods. These include lecture, discussion papers, group activities, class quizzes, class exercises, online research, and student presentations.

Learning Outcomes:

Upon completion of this course, the student should be able to

- Define ethics and determine why high ethical standards and behavior is important in the business environment.
- Articulate, orally and in writing, ethical positions and arguments.
- Describe major types of ethical reasoning that a person can use to analyze ethical dilemmas
- Discuss ethical positions and arguments of other people and to effectively enhance communication on these issues

Statement of Workplace and Foundation Competencies (SCANS Skills)

The LSC is committed to prepare you with the knowledge and skills you need to succeed in today’s dynamic work environment. Towards this end, the following workplace competencies and foundation skills have been designed into the curriculum for this course:

Common Workplace Competencies:

Manage Resources:	Allocates time (C1), Allocates money (C2), Allocates material resources (C3), and Allocates human resources (C4)
Exhibits Interpersonal Skills:	Participates as a team member (C5), Teaches others (C6), Exercises leadership and Negotiates to get decisions (C9)
Manage Information:	Acquires and evaluates information (C11), Organizes and maintains information (C12), and Interprets and communicates information (C13)

Foundation Skills:

Demonstrates Basic Skills:	Reading (F1), Writing (F2), Arithmetic (F3), Mathematics (F4), Listening (F5), and Speaking (F6)
Demonstrates Thinking Skills:	Creativity (F7), Decision making (F8), Problem solving (F9), Seeing things in the mind's eye (F10), Knowing how to learn (F11), and Reasoning (F12)
Exhibits Personal Qualities:	Responsibility (F13), Self-esteem (F14), Self-Management (F16) and Integrity/Honesty (F17)

Means of Assessment:

Your course grade will be determined according to the following:

Whitten Readings Quizzes	20%
Examination # 1	20%
Examination # 2	20%
Rohr Examination # 3	20%
Case Studies	10%
Case Quizzes and Ethic Quizzes	<u>10%</u>
Total	100%

Letter grade assignment:

Final letter grades will be assigned after computing individual final average in percent as follows:

Final Average in Percent	Letter Grade
90 – 100	A
80 – 89	B
70 - 79	C
60 – 69	D
Below 60	F

Policy on Makeup Exams:

Contact the instructor as soon as possible if an examination will be missed. Make up examinations may be given at the instructor's discretion. If a make-up is given, the exam has to be completed in the LSC - Montgomery Assessment Center within 48 hours of the missed exam.

Attendance Policy:

Students are required to attend at least twelve (12) complete classes in order to receive credit for the course. If the student misses more than four (4) classes, the student will be required to drop the class. If the student does not drop the course after the withdrawal deadline, more than four absences will result in a grade of "F" for the course. **November 12, 2010**, is the deadline to withdraw from this course and receive a "W". To insure the grade of "W" (withdrawal) instead of "F", the student must officially initiate a formal withdrawal with the Registrar's office. It is not the responsibility of the instructor to drop the student from the course.

Assignment Schedule:

Session A meets from **6:00 to 7:15 p.m.**

Break from **7:15 to 7:30**

Session B meets from **7:30 to 8:45 p.m.**

Class	Topic	Reading Assignment
1	Session A: Course Introduction Session B: "What is Ethics?" and "The Benefits of Ethics Education?"	
2	Session A: "Are we/Should we be always 'selfish' in our actions?" Readings Quiz # 1 Session B: "Is ethics relative – to one's 'culture'? – to the individual?" Readings Quiz # 2	Rachels , <i>Elements</i> , Chapter 5 pages 63-59 Rachels , <i>Elements</i> , Chapter 2
3	Session A: "Is ethics based on religion/'God'?" Readings Quiz # 3 Session B: "Is ethics 'subjective'?" Readings Quiz # 4	Rachels , <i>Elements</i> , Chapter 4 Rachels , <i>Elements</i> , Chapter 3
4	Session A: EXAMINATION #1 Session B: "Deontological and Consequentialist Ethics" No Readings Quiz	No reading assignment

5	<p>Session A: “Kantian Ethics” <i>Readings Quiz # 5</i></p> <p>Session B: “Utilitarian Ethics” <i>Readings Quiz #6</i></p>	<p>Rachels , <i>Elements</i>, Chapter 9</p> <p>Rachels , <i>Elements</i>, Chapter 7 (pages 97-98, 104-108) and Chapter 8 (all)</p>
6	<p>Session A: “Virtue Ethics” <i>Readings Quiz # 7</i></p> <p>Session B: “Paradigm Case Ethics” <i>Readings Quiz #8</i></p>	<p>Rachels ,<i>Elements</i>, Chapter 12</p> <p>Wikipedia article: ‘Casuistry’</p>
7	<p>Session A: “Social Contract Ethics” <i>Readings Quiz # 9</i></p> <p>Session B: “Ethics Code” <i>Readings Quiz #10</i></p>	<p>Rachels, <i>Elements</i>, Chapter 6</p> <p>AICPA Code of Ethics</p>
8	<p>Session A: EXAMINATION #2</p> <p>Session B: “How to Approach Applied/ Case Ethics”</p>	
9	<p><u>Read</u> <i>Brooks</i>, Chapter 1 – Also, Reading- Managing for Organization Integrity, page 46</p> <p>Do first four questions of each case:</p> <ul style="list-style-type: none"> - Martha Stewart’s Lost Reputation - Where were The Accounts? - To resign or to Serve? <p><i>Guy Quiz # 1</i> <i>Brooks Quiz #1</i> <i>Case Study #1</i></p>	<p><i>Guy</i>, Introduction to Ethics, Chapters 1 thru 3 <i>Read assigned cases</i></p>
10	<p><u>Read</u> <i>Brooks</i>, Chapter 2 – Do first four questions of each case</p> <ul style="list-style-type: none"> - Enron’s Questionable Transactions - Arthur Anderson’s Troubles - WorldCom: The Final Catalyst <p>Sunbeam Corporation and Chainsaw Al</p> <p><i>Guy Quiz # 2</i> <i>Brooks Quiz #2</i> <i>Case Study #2</i></p>	<p><i>Guy</i>, Overview of Independence, Integrity, and Objectivity Chapters 4 thru 7 <i>Read assigned cases</i></p>

11	<p><u>Read Brooks</u>, Chapter 3 – Also, Reading-Ethic of Re-pricing and Backdating, page 172</p> <p>Do first four questions of each case:</p> <ul style="list-style-type: none"> - Terrorist Payments - The Case of Cesar Correia - Ethics of Re-pricing <p style="text-align: right;"><i>Guy Quiz #3</i> <i>Brooks Quiz #3</i> <i>Case Study#3</i></p>	<p><i>Guy</i>, Independence Requirements for Members in Public Practice Chapters 8 thru 11 <i>Read assigned cases</i></p>
12	<p><u>Read Brooks</u>, Chapter 4 – Also, Reading-Ethical analysis for Environmental Problem Solving, page 233</p> <p>Do first four questions of each case:</p> <ul style="list-style-type: none"> - Just Make the Numbers - Ford Pinto - Smokes are Good for the Economy <p style="text-align: right;"><i>Guy Quiz #4</i> <i>Brooks Quiz #4</i> <i>Case Study #4</i></p>	<p><i>Guy</i>, Independence Requirements for Members in Public Practice Chapters 12 thru 16 <i>Read assigned cases</i></p>
13	<p><u>Read Brooks</u>, Chapter 5 – Do first four questions of each case</p> <p>Barings bank Ford/ Firestone Adelphia – Really the Riga’s Piggy Bank Conflicts of Interest on Wall Street</p> <p style="text-align: right;"><i>Guy Quiz #5</i> <i>Brooks Quiz #5</i> <i>Case Study #5</i></p>	<p><i>Guy</i>, Independence Requirements for Members in Public Practice Chapters 17 thru 21 <i>Read assigned cases</i></p>
14	<p><u>Read Brooks</u>, Chapter 6 – Do first four questions of each case</p> <p>Locker Room Talk Management Choice Tax return Complications Lane Michener Affair?</p> <p style="text-align: right;"><i>Guy Quiz #6</i> <i>Brooks Quiz #6</i> <i>Case Study #6</i></p>	<p><i>Guy</i>, Independence Requirements for Members in Public Practice Chapters 22 thru 27 <i>Read assigned cases</i></p>

15	<u>Read Brooks</u> , Chapter 7 – Do first four questions of each case Exxon Valdez Crisis at Wind River Industry Aids Medication in South Africa Lane Michener Affair? <i>Guy Quiz # 7</i> <i>Brooks Quiz #7</i> <i>Case Study #7</i>	<i>Guy</i> , AICPA Rules other than Independence, Integrity, and Objectivity Chapters 28 thru 34 <i>Read assigned cases</i>
16	Final Exam(EXAMINATION # 3)	

Case Studies:

The case studies are individual work and should be turned in on the day it is due. The answers to the case questions should be typed, short and to the point. *Ethics for CPAs* by Guy, Carmichael and Lach should be used in analyzing these cases. Students should describe what authority and rules that should be applied.

Participation Policies:

Class attendance is important. Generally, the course material is covered in the textbooks; however, lectures and small group exercises augment and clarify the textbook material. You are encouraged to get to know your fellow students in order to have a source for lecture notes and handouts if you cannot attend a class session.

Students are expected to assume the responsibility for learning. Your instructor will assist you, but the actual responsibility rests with you. Students are also expected to devote their energy to attaining the skills and knowledge required for their particular career goals.

The *Lone Star College System Policy & Procedure Manual* [Student Conduct, Section 562.0ld] states, “Disruptive activity that hinders other students’ learning or deters an instructor from effective teaching will not be tolerated under any circumstances.”

To provide equal-opportunity learning situation for all students enrolled in this class, children are not allowed in the labs or classrooms.

Academic Integrity:

The college’s academic integrity policy states, LSC is committed to a high standard of academic integrity in the academic community. In becoming a part of the academic community, students are responsible for honesty and independent effort. Failure to uphold these standards includes, but is not limited to, the following:

1. Plagiarizing written work projects.
2. Cheating on exams or assignments.
3. Collusion on an exam or project.
4. Misrepresentation of credentials or prerequisites when registering for a course.

Refer to the LSC catalog for additional information.

Virus Protection:

The college will not be held liable for any corruption of data caused by virus contamination. The college computers are regularly screened and are protected against computer viruses to the best of our ability. However, we do not guarantee that viruses do not exist on our systems. Procedures are in place in all labs for you to scan your diskettes. It is your responsibility to protect your data from corruption due to viruses.

Student Services:

Learning Resources Centers

The Learning Resources Centers (LRCs) at each college provide print and non-print resources and services for students. The materials have been selected to serve the curricular, vocational, and recreational needs of the college community. Each college LRC provides computer access to a variety of information in electronic form including bibliographic indexes to journals, Internet resources, and multimedia publications.

Learning Support Centers

Learning Support Center at each college provides print and audio-visual materials as well as **tutorial** assistance and **computer labs** for students who need academic support services. Materials from other disciplines are available in each center including reading, writing, math and college study skills.

Internet & E-mail

The LSC System provides computing and network resources to students. Students are encouraged to use the computers, software packages, and electronic mail (e-mail), for educational or System-related activities and to facilitate the efficient exchange of useful information. However, the equipment, software and network capacities provided through the LSC System computer services are and remain the property of the LSC, and access may be denied to any student who fails to comply with the LSC's policies and procedures regarding its use.

Access to the LSC's e-mail and similar electronic communication systems are a privilege and certain responsibilities accompany that privilege. LSC users are expected to demonstrate the same level of ethical and professional manner, as is required in face-to-face or written communications. Anonymous or forged messages will be treated as a violation of this policy.

Equal Opportunity Statement:

It is the policy of Lone Star College System to provide equal employment, admission and educational opportunities without regard to race, color, religion, national origin, sex, age or disability.

LSC System colleges strive to provide an excellent learning environment free from harassment or intimidation directed at any person's race, color, religion, national origin, sex, age, or disability. Any form of harassment will not be tolerated.

ADA Statement:

The LSC System colleges are dedicated to providing the least restrictive learning environment for all students. The college district promotes equity in academic access through the implementation of reasonable accommodations as required by the Vocational Rehabilitation Act of 1973, Title V, Section 504 and the Americans with Disabilities Act of 1990 (ADA) which will enable students with disabilities to participate in and benefit from all post-secondary educational activities.

If you require reasonable accommodations because of physical, mental, or learning disability, please notify the instructor of this course as soon as possible and preferably before the end of the first two weeks of class to arrange for reasonable accommodations.

Guaranteed Graduate Policy:

Lone Star College System guarantees that graduates of its Associate of Arts, Associate of Science, or Associate of Applied Science and all Certificate programs, will provide under certain circumstances, additional education and training tuition free to students lacking appropriate master of specified competencies.

For additional information, refer to the Lone Star College System catalog.