

ACCT 430: Accounting Ethics
Leventhal School of Accounting
University of Southern California
Spring 2013

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Office Hours:	Mondays, 1:00-2:00 p.m. also by appointment	Wednesdays, 11:30-1:30 p.m. also by appointment
Prerequisites:	None	
Communication:	Blackboard and Marshall email	
Honor Code:	Students are expected to adhere to, and will be bound by, the University and Leventhal School policies governing academic integrity.	

Course Description and Objectives

This course provides the ethical grounding that accountants need both to identify ethical issues that they might face and to respond effectively to them. Students will be introduced both to the major theoretical ethical reasoning models and the ethical principles included in the Codes of Professional Conduct disseminated by the major accounting organizations, such as the AICPA, IMA, IIA and FEI. The course will present a range of ethics-related issues, including the causes of ethical violations and frauds, whistle blowing, and the design and operation of company compliance and ethics programs. Ethical issues are illustrated in all major areas of accounting practice, including financial accounting and reporting, management accounting, audit, taxation, accounting information systems, forensic accounting and accounting-related consulting.

Course Structure

The course will be taught using two distinct structures. The first class session of each week (Wednesdays at 2:00 p.m.) will involve a mega section meeting of all of the students enrolled in the course. This session will involve both professor lectures and presentations by prominent visitors from various aspects of professional practice. The second session each week will be in a small class size to enable active discussions of cases and vignettes designed to illustrate many of the ethical issues and dilemmas that accountants face in practice.

Required Course Materials

1. S.M. Mintz and R.E. Morris (2011). *Ethical Obligations and Decision Making in Accounting*. 2nd edition. McGraw-Hill/Irwin.
2. R. Duska, B.S. Duska and J.A. Ragatz (2011). *Accounting Ethics*. 2nd edition. Wiley-Blackwell.
3. M.C. Gentile (2010). *Giving Voice to Values: How to Speak Your Mind When You Know What's Right*. Yale University Press.
4. Other reading materials will be distributed in class.

Grading

	Points
Reflective journal	10
Papers (2)	20
Quizzes (2)	20
Final exam	30
Discussion section participation	<u>20</u>
Maximum possible	<u>100</u>

Reflective journal

Every student must keep a Reflective Journal containing personal thoughts about each topic covered in the course. Please take 10 minutes to think about the topic before writing anything, and then write whatever personal thoughts come to mind.

This assignment is not intended to be a great burden. We are looking for only 100-150 words per week. We want to encourage *personal reflections* on the topics and issues presented in the course, not just mere memorization and recitation of course content. The thoughts should be written neatly or typed (double spaced) and kept in a separate journal or binder.

All students must show their instructor their Reflective Journal briefly during the discussion sections held during week 6 (February 20-22) and week 12 (April 10-12). On each of these dates, if a student's Reflective Journal is not up-to-date or is not available for review, the student will lose 1/3 of a letter grade from the student's final grade for the Reflective Journal. No excuses will be accepted.

All journals must be turned in at the end of the day on Friday, May 3 and will be available for return to the student one week later. If we do not receive the Reflective Journal on time, a "0" might be earned for this component of the course.

Papers

A paper will be due on March 15. Details regarding this assignment will be distributed at the beginning of February.

A second paper will be due on May 1. Details regarding this assignment will be distributed at the end of March.

Quizzes and final exam

Both the quizzes and the final exam are open book/open notes examinations. The quizzes will be given at the start of the mega section classes on February 13 and April 3. The final exam will be given on Monday, May 13 at 2:00-4:00 p.m., as scheduled by the University in the Final Examinations Schedule (http://www.usc.edu/academics/classes/term_20131/finals.html)

Discussion Section Participation

Ethics is not a technical, quantitative subject like most accounting courses. There is often not one obviously best solution to an ethical dilemma. Learning ethics requires the development of problem finding and critical thinking skills. Developing these skills is best accomplished through active learning—student discussions of dilemmas of the type that will be faced in the real world.

We assign a material proportion of the grade in this course based on the extent to which students participate actively in the smaller discussion sections and the quality of their contributions to the discussion. We do this both to improve our grading accuracy and to encourage the building of a healthy “learning community.” We think we can learn more about effort and quality of thinking by hearing students share their ideas in a long series of classes than can be done by reading written answers to a few exam questions. Further, active class participation encourages students to be well prepared and thus to become active, rather than passive, learners. Participation provides students with the opportunity to gain from the experiences and talents of everyone in the class. Class participation also helps students improve their oral communication skills, which are vitally important in the working world.

Participation will be evaluated in each small-class session based on a near-continuous scale, the end points of which can be described as follows:

Outstanding Contributor: This person's contributions reflect exceptional preparation, and the ideas offered are always substantive and provide major insights and direction for the class. If this person were not a member of the class, the quality of the discussions would be diminished significantly.

Unsatisfactory Contributor: This person may be absent from class or someone who rarely participates in class discussion. Alternatively, this person's contribution in class reflects inadequate preparation and/or understanding. Ideas offered are not substantive and provide few, if any, insights and never a constructive direction for the

class. Integrative comments and effective arguments are absent. Class comments are either obvious, isolated from the main discussion, or confusing to the class.

Statement on Academic Integrity

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

Retention of Papers

According to the Guidelines on Documents Retention, University policy requires that “final exams and all other grade work which affected the course grade” be kept for one year. Other papers or work that instructors hand back but that students fail to pick up will be held for one month.

Important Dates for the Spring 2013 Semester

Jan. 14	Spring semester classes begin
Jan. 21	Martin Luther King Day, university holiday
Feb. 1	Last day to register and add classes
	Last day to drop a class without a mark of "W"
Feb. 18	Presidents' Day, university holiday
Mar. 18 - 23	Spring recess
Apr. 12	Last day to drop a class with a mark of "W"
May 3	Spring semester classes end
May 4 - 7	Study days
May 8 - 15	Final examinations [Final exam for this class is Monday May 13 at 2:00 - 4:00 p.m.]
May 17	Commencement

Tentative Schedule¹

Week 1 (January 16)	Ethics in a profession, like accounting
Week 2 (January 23)	People's ethical perspectives differ
Week 3 (January 30)	Normative ethical reasoning models and decision making processes
Week 4 (February 6)	Accountants' professional standards
Week 5 (February 13)	Quiz #1, plus introduction to why people do bad things
Week 6 (February 20)	Why do people do bad things? (cont.)
Week 7 (February 27)	Why do people do bad things? (cont.)
Week 8 (March 6)	How to get people to behave ethically (corporate ethics programs)
Week 9 (March 13)	Whistle blowing
<i>Spring break</i>	
Week 10 (March 27)	What to do when you know what's right - "giving voice to values"
Week 11 (April 3)	Quiz #2, plus introduction to ethical issues in contemporary accounting practice
Week 12 (April 10)	Ethical issues in contemporary accounting practice
Week 13 (April 17)	Ethical issues in contemporary accounting practice (cont.)
Week 14 (April 24)	Ethical issues in contemporary accounting practice (cont.)
Week 15 (May 1)	Anticipating the future, and review
Final exam (May 13)	Monday, May 13 at 2:00 - 4:00 p.m, as scheduled by the University in the Final Examinations Schedule

¹ This schedule is tentative because we might need to move some dates around to accommodate the schedules of some class visitors. The detailed assignments for the classes will be distributed periodically in class.

Undergraduate Accounting Program Student Learning Objectives

The five Student Learning Objectives developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools, are shown below.

This course will deal primarily with Learning Objective 3, *Ethical Decision Making*. Students will be able to apply ethical principles and professional standards in analyzing situations and making informed decisions.

To a lesser extent, this course will also touch on two of the other Learning Objectives: Objective 1, *Technical Knowledge*, and Objective 2, *Research, Analysis and Critical Thinking*.

Undergraduate Accounting Program Learning Objectives

1. Technical Knowledge

Students will demonstrate technical proficiency in the accounting discipline, including the use of technical accounting knowledge to help solve problems and make decisions.

2. Research, Analysis and Critical Thinking

Students will demonstrate the ability to critically analyze, synthesize, and evaluate information for decision making in the local, regional and global business environment.

3. Ethical Decision Making

Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making.

4. Communication

Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner.

5. Leadership, Collaboration and Professionalism

Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.

Students with Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30AM to 5:00PM, Monday through Friday. The phone number for DSP is 213-740-0776. For more information visit www.usc.edu/disability.

For Campus-Wide Emergencies

Emergency Info Line	213-740-9233
USC Emergencies	213-740-4321
Information	tune into KUSC Radio at 91.5 (FM)
USC Info Line	213-740-2311

Emergency Preparedness / Course Continuation

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.