

**Class Sessions**

<u>Section</u>	<u>Class</u>	<u>Days</u>	<u>Time</u>	<u>Professor</u>	<u>Room</u>
14144R	ACCT 430	M & W	12:00 - 1:20	Lee Cerling	HOH 421
14145R	ACCT 430	M & W	2:00 - 3:20	Lee Cerling	HOH 421
14146R	ACCT 430	M & W	4:00 - 5:20	Harris Smith	HOH 421

All class sections will meet as a combined class on nine selected Fridays at 10:30-11:50 am (see the Course Schedule for specific dates and locations). Eight of the Friday sessions will host prominent guest speakers and one is for the midterm exam. Attendance at all of the Friday sessions is required of all students.

**Professors**

**Lee Cerling**

Office: ACC 401

Phone: 213-821-1158

Email: [cerling@usc.edu](mailto:cerling@usc.edu).

Office Hours: Mondays & Wednesdays, 11:00 am - 12:00 pm;  
and by appointment

**Harris Smith**

Office: ACC 214

Phone: 925-787-9129

Email: [harris@marshall.usc.edu](mailto:harris@marshall.usc.edu)

Office Hours: Mondays & Wednesdays, 5:30 - 7:00 pm;  
and 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.

**Blackboard Courses**

All students will have two Blackboard (Bb) courses for the Ethics class:

1. The first Bb course is for **all students** : Bb course labeled **20161\_acct\_530\_14211**

This is a single Bb course for all students across all class sessions and all professors for all sections of ACCT 530 and ACCT 430. This is the Bb course where we will post materials and correspondence *from the professors to the students* - this is where you will find the syllabus, course schedule, assignments, reading materials, discussion and lecture materials, PowerPoint slides, and class announcements.

2. The second Bb course is Professor-specific:

Bb course labeled **20161\_acct\_430\_14144** is for students enrolled in **Professor Lee Cerling's** classes (M & W at 12:00 or 2:00)

Bb course labeled **20161\_acct\_430\_14146** is for students enrolled in **Professor Harris Smith's** class (M & W at 4:00)

The Professor-specific Bb course is where you will post materials *from the student to the professor* - this is where students will post reflective journal entries and upload assignments.

### 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:

- Twice a week class sessions in a small class size setting which will involve professor lectures and active discussions of cases and vignettes designed to illustrate many of the ethical issues and dilemmas that accountants face in practice. These sessions are held on M & W (depending on each student's enrolled section).
- All class sections will meet as a combined class on nine selected Fridays at 10:30 - 11:50 am (see the Course Schedule for specific dates and locations). Eight of the Friday sessions are for prominent guest speakers and visitors from various aspects of professional practice and one is for the midterm exam. Attendance at all of the Friday sessions is required of all students.
- See the Course Schedule for date-specific class times and locations.

### Required Course Materials

1. Gordon Klein, (2016). *Ethics in Accounting - A Decision Making Approach*. Wiley.
2. Justin M. Paperny (2010). *Ethics in Motion*. Etika LLC.  
This book can be purchased at a reduced price for either the printed book (\$16.00) or electronic version (\$12.00) using the following link: <http://etikallc.com/books/>.

3. Tony A. Rose (2014). *Five Eyes on the Fence*. Business Expert Press (BEP)  
This book is available as an eBook and will be posted on Bb.
4. M.C. Gentile (2010). *Giving Voice to Values: How to Speak Your Mind When You Know What's Right*. Yale University Press.
5. **ACCT 430 & ACCT 530 Spring 2016 Course Reader**. Available in the USC Bookstore.
6. Other reading materials will be distributed in class and/or via Blackboard.

### Course Schedule

Please see attached Course Schedule. This schedule is tentative because we may need to change dates to accommodate guest speakers. Detailed assignments for each class session will be distributed periodically in class and/or on Blackboard.

### Grading

	<b>Points</b>
Reflective journal	10
Papers (2)	20
Midterm exam	20
Final exam	30
Discussion section participation	<u>20</u>
Total available	<u>100</u>

#### *Reflective Journal*

Every student is required to keep a Reflective Journal about topics covered in the course. Please take 10 minutes to think about the topic before writing anything, and then write whatever reflections 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*.

We will use Bb (your Professor-specific Bb course) as the tool for maintaining the Reflective Journals. The Journal is a self-reflective tool for students and only the student and the student's professor are able to add comments and read the comments.

Each week's Journal will be open/available for entry starting on Wednesday and will close on Saturday at 4:00 pm. During the week, you can make a single entry or multiple entries until the time window for that week has closed. Late submissions (after Saturday at 4:00 pm) will count against your grade for this component of the course. Journals are a "homework" assignment and should not be written during the class time.

#### *Paper(s)*

Details regarding the paper assignment(s) will be distributed approximately 1 month before the due date of the paper. The paper assignment(s) are an individual effort and assignment.

*Midterm and Final Exams*

Both the midterm and the final exam are open book/open notes examinations. Each student will need a laptop computer for the midterm and the final exam.

The **midterm** exam will be held on **Friday, March 4, 2016** at **10:30 - 11:50 am** for all ACCT 430 classes.

The **final** exam will be held on **Saturday, May 7, 2016** at **12:00 - 2:00 pm** for all ACCT 430 classes.

The midterm and final exams must be completed on the scheduled dates (there will not be a make-up exam) and cannot be taken early, except when the exam time conflicts with a student's observance of a holy day. If you have a conflict for either exam date, please discuss with your professor immediately; any exam date conflicts must be discussed with your professor by January 27, 2016.

*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.

## **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.

## **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* (course emphasis: High). To a lesser extent, this course will also touch on three of the other Learning Objectives: Objective 1, *Technical Knowledge* (course emphasis: Low), Objective 4, *Communication* (course emphasis: Moderate), and Objective 2, *Research, Analysis and Critical Thinking* (course emphasis: Moderate).

### *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.

## **Academic Conduct**

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.

## Plagiarism

Presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11 Behavior Violating University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

## Class Notes Policy

Notes or recordings made by students on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings.

No student may record any lecture, class discussion or meeting with the professor(s) without the professor's prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. The professors reserve all rights, including copyright, to lectures, course syllabi and related materials, including summaries, PowerPoint slides, prior exams, answer keys, and all supplementary course materials available to the students enrolled in class whether or not posted on Blackboard or otherwise. They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites. Exceptions are made for students who have made prior arrangements with DSP and with the professor(s).

## Support Systems

Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.

### *Students with Disabilities*

*The Office of Disability Services and Programs*

[http://sait.usc.edu/academicssupport/centerprograms/dsp/home\\_index.html](http://sait.usc.edu/academicssupport/centerprograms/dsp/home_index.html) provides certification for students with disabilities and helps arrange the relevant accommodations.

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 your professor as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.-5:00 p.m., Monday through Friday. The phone number for DSP is 213-740-0776. For more information, visit [www.usc.edu/disability](http://www.usc.edu/disability).

***Discrimination, sexual assault, and harassment***

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity <http://equity.usc.edu/> or to the Department of Public Safety, <http://capsnet.usc.edu/departement/departement-public-safety/online-forms/contact-us>.

This is important for the safety of the whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report or can initiate the report on behalf of another person. The Center for Women and Men <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage <https://sarc.usc.edu/reporting-options/> describes reporting options and other resources.

***Emergency Preparedness / Course Continuation***

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

**Important Dates for the Spring 2016 Semester**

Jan. 11	First day of classes
Jan. 18	USC Holiday - Martin Luther King Jr.
Jan. 29	Last day to register and add classes Last day to drop a class without a mark of “W” and receive a refund Last day to purchase or waive tuition refund insurance
Feb. 15	USC Holiday - Presidents’ Day
Feb. 26	Last day to drop a class without a mark of “W”
Mar. 14 - 20	Spring break
Apr. 8	Last day to drop a class with a mark of “W”
Apr. 29	Last day of classes
Apr. 30 - May 3	Study days
May 4 - 11	Final examinations [the final exam for this class will be held on <b>Saturday, May 7</b> ]
May 13	Commencement

**Emergency Information**

Emergency Information Line	213-740-9233
USC Emergencies Information	213-740-4321
USC Info Line	tune into KUSC Radio at 91.5 (FM)
USC Public Safety - Non Emergencies	213-740-2311
	213-740-6000



### Tentative Course Schedule

This schedule is tentative because we may need to change dates to accommodate guest speakers.

Detailed assignments for each class session will be distributed periodically in class and/or on Blackboard.

All Friday sessions will be held at 10:30 am-11:50 am. Attendance at all of the Friday sessions is required. The location for each Friday sessions will be announced on Blackboard.

Class	Day	Date	Topic
1.	Mon	January 11	Ethics in a Profession, Like Accounting
2.	Wed	January 13	Accountants' Professional Standards (Part 1) Note - Professor Harris Smith's class will not have class on Wednesday January 13 but will have class on Friday January 15 instead
	Fri	January 15	No class [Professor Harris Smith's class will have class today at 10:30-11:50 am in room ACC 236]
	Mon	January 18	No class - University Holiday
3.	Wed	January 20	Accountants' Professional Standards (Part 2) Note - Professor Harris Smith's class will not have class on Wednesday January 20 but will have class on Friday January 22 instead
	Fri	January 22	No class [Professor Harris Smith's class will have class today at 10:30-11:50 am in room ACC 236]
4.	Mon	January 25	Accountants' Professional Standards (Part 3)
5.	Wed	January 27	Divergent Ethical Systems Create Ethical Issues
6.	Fri	January 29	Personal Capital and Ethical Values
7.	Mon	February 1	Normative Ethical Reasoning Models   Decision Making Processes
8.	Wed	February 3	The Fraud Triangle   Why Do People Do Bad Things?
9.	Fri	February 5	Why Do People Do Bad Things? (continued)
10.	Mon	February 8	Cognitive Biases and System I & II Thinking Affecting Ethical Judgments
11.	Wed	February 10	They had a world-class ethics program, but ... (Part 1)

**ACCT 430 | Accounting Ethics**  
**Spring 2016 Course Schedule**

<b>Class</b>	<b>Day</b>	<b>Date</b>	<b>Topic</b>
12.	Fri	February 12	They had a world-class ethics program, but ... (Part 2)
	Mon	February 15	No class - University Holiday
	Wed	February 17	No class
13.	Fri	February 19	Why Do People Do Bad Things? (continued)
	Mon	February 22	No class
14.	Wed	February 24	Why Do People Do Bad Things? (continued)
15.	Fri	February 26	How To Get People To Behave Ethically - Corporate Ethics Programs (Part 1)
	Mon	February 29	No class
	<b>Mon</b>	<b>February 29</b>	<b>* Paper 1 is due *</b>
16.	Wed	March 2	How To Get People To Behave Ethically - Corporate Ethics Programs (Part 2)
17.	<b>Fri</b>	<b>March 4</b>	<b>* Midterm Exam *</b>
	Mon	March 7	No class
	Wed	March 9	No class
	Fri	March 11	No class
	Mon	March 14	No class - Spring Break
	Wed	March 16	No class - Spring Break
	Fri	March 18	No class - Spring Break
	Mon	March 21	No class
18.	Wed	March 23	What to do when you know what's right - Giving Voice to Values
	Fri	March 25	No class
19.	Mon	March 28	Giving Voice to Values (continued)
20.	Wed	March 30	Giving Voice to Values (continued)
	Fri	April 1	No class

**ACCT 430 | Accounting Ethics**  
**Spring 2016 Course Schedule**

<b>Class</b>	<b>Day</b>	<b>Date</b>	<b>Topic</b>
	Mon	April 4	No class
21.	Wed	April 6	Giving Voice to Values (continued)
22.	Fri	April 8	Ethical Issues in Contemporary Accounting Practice (Part 1)
	Mon	April 11	No class
23.	Wed	April 13	Giving Voice to Values (continued)
24.	Fri	April 15	Ethical Issues in Contemporary Accounting Practice (Part 2)
	Mon	April 18	No class
25.	Wed	April 20	Whistleblowing
26.	Fri	April 22	Whistleblowing (continued)
27.	Mon	April 25	Whistleblowing (continued)
28.	Wed	April 27	More on Whistleblowing   Anticipating the Future   Course Review
	<b>Wed</b>	<b>April 27</b>	<b>* Paper 2 is Due * [ACCT 430 only]</b>
	Fri	April 29	No class
	<b>Sat</b>	<b>May 7</b>	<b>* Final Exam * 12:00 to 2:00 pm</b>