

### Class Sessions

<u>Section</u>	<u>Class</u>	<u>Days</u>	<u>Time</u>	<u>Professor</u>	<u>Room</u>
14143 R	ACCT 430	T & Th	8:00 - 9:50	Lee Cerling	ACC 201
14144 R	ACCT 430	T & Th	10:00 - 11:50	Lee Cerling	ACC 201
14145 R	ACCT 430	T & Th	2:00 - 3:50	Greg Kling	JFF LL 101

In addition, all class sections will meet as a combined class on selected Fridays at 12:30-1:50 pm in room HOH EDI. The Course Schedule outlines the planned Friday sessions; students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at the Friday sessions is required of all students.

### Professors

#### Lee Cerling

Office: ACC 401

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

Office Hours: Mondays, 10:00 am - 12:00 pm;  
and by appointment

#### Greg Kling

Office: ACC B4

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

Office Hours: Tuesdays & Thursdays, 4:00 - 5:00 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 **20181\_acct\_430\_14147**

This is a single Bb course for all students across all class sessions and all professors for all sections of 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 specific to your individual class section:

Bb course labeled **20181\_acct\_430\_14143** is for students enrolled in **Professor Lee Cerling's** classes (T & Th at 8:00)

Bb course labeled **20181\_acct\_430\_14144** is for students enrolled in **Professor Lee Cerling's** classes (T & Th at 10:00)

Bb course labeled **20181\_acct\_430\_14145** is for students enrolled in **Professor Greg Kling's** class (T & Th at 2:00)

The class-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

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 Objectives

Upon successful completion of this course, students will be able to:

1. Identify ethical issues they might face and to respond effectively to them.
2. Explain the major theoretical ethical reasoning models.
3. Describe the ethical principles included in the Codes of Professional Conduct disseminated by the major accounting organizations, such as the AICPA, IMA, IIA and FEI.
4. Describe a range of ethics-related issues, including the motivations behind ethical violations and frauds.
5. Analyze the inspiration, risk, benefits and possible outcomes of whistle blowing.
6. Evaluate the design and operation of company compliance and ethics programs.

## 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 Tuesday & Thursday (depending on each student's enrolled section).
- In addition, all class sections will meet as a combined class on selected Fridays at 12:30-1:50 pm in room HOH EDI. The Course Schedule outlines the planned Friday sessions; students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at 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 2018 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	20
Midterm exam	20
Final exam	30
Friday session participation	5
Discussion section participation	<u>15</u>
Total available	<u>100</u>

Attendance at the Friday sessions is mandatory. Failure to attend the Friday sessions without advance approval by the professor will result in no points being awarded for the unexcused absence.

*Reflective Journals*

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 can 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 class time.

*Papers*

Details regarding the paper assignments will be distributed approximately 1 month before the due date of the paper. The paper assignments 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 **Thursday, March 1** during the regularly scheduled class time.

The **final** exam will be held on **Wednesday, May 9, 2018 at 8:00 - 10:00 am** for all ACCT 430 sections.

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 26, 2018.

### *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.

### **Grading Policy**

Final grades represent how you perform in the class relative to other students. Historically, the average grade for this class is approximately (B+) 3.3. Three items are considered when assigning final grades: (1) Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible); (2) The overall average percentage score within the class; (3) Your ranking among all students in 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.

## **Technology Policy**

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, iPads, other texting devices, laptops, I-pods) must be completely turned off during class time. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor in advance. Use of any recorded or distributed material is re-served exclusively for the USC students registered in this 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* (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

*Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call*

Free and confidential mental health treatment for students, including short-term psycho-therapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

*National Suicide Prevention Lifeline - 1-800-273-8255*

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

*Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call*

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

*Sexual Assault Resource Center*

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

*Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086*

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

*Bias Assessment Response and Support*

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

*Student Support & Advocacy – (213) 821-4710*

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

*Diversity at USC – <https://diversity.usc.edu/>*

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

## Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP 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 me (or to your IA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).



**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 technologies.

**Important Dates for the Spring 2018 Semester**

Jan. 8	First day of classes
Jan. 15	USC Holiday - Martin Luther King Jr.
Jan. 26	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. 19	USC Holiday - Presidents' Day
Feb. 23	Last day to drop a class without a mark of "W"
Mar. 11 - 18	Spring break
Apr. 6	Last day to drop a class with a mark of "W"
Apr. 27	Last day of classes
Apr. 28 - May 1	Study days
May 2 - 9	Final examinations [the final exam for this class will be held on <b>Wednesday, May 9</b> at <b>8:00-10:00 am</b> for all sections]
May 11	Commencement

**Emergency Information**

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

Fridays sessions will be held at 12:30-1:50 pm in room HOH EDI. Students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at the Friday sessions is mandatory. Failure to attend the Friday sessions without advance approval by the professor will result in no points being awarded for the unexcused absence.

ACCT 430 | Accounting Ethics  
Spring 2018 Course Schedule

Day	Date	Class #	Topic
Tue	Jan 9	1	Ethics in a Profession, Like Accounting; Accountants' Professional Standards I
Thu	Jan 11	2	Accountants' Professional Standards II
Fri	Jan 12		
Tue	Jan 16		
Thu	Jan 18	3	Accountants' Professional Standards III
Fri	Jan 19		
Tue	Jan 23	4	Accountants' Professional Standards IV
Thu	Jan 25	5	Accountants' Professional Standards V
Fri	Jan 26	6	Personal Capital and Ethical Values
Tue	Jan 30	7	Divergent Ethical Systems; People Think Differently About Ethics
Thu	Feb 1	8	Normative Ethical Reasoning Models and Decision Making Processes
Fri	Feb 2	9	Why Do People Do Bad Things?
<b>** PAPER 1 IS DUE BY 12:00 NOON **</b>			
Tue	Feb 6	10	Why Do People Do Bad Things?
Thu	Feb 8	11	Why Do People Do Bad Things?
Fri	Feb 9	12	Why Do People Do Bad Things?
Tue	Feb 13	13	Cognitive Biases and Ethical Judgements; System 1 & 2 Thinking
Thu	Feb 15		
Fri	Feb 16		
Tue	Feb 20		
Thu	Feb 22	14	They had a world class ethics program, but... Part I
Fri	Feb 23	15	They had a world class ethics program, but... Part II
Tue	Feb 27		
Thu	Mar 1	16	<b>** MID TERM EXAM **</b>
Fri	Mar 2	17	Revenue for the Company ... Cash for the Cayman Islands

ACCT 430 | Accounting Ethics  
 Spring 2018 Course Schedule

Day	Date	Class #	Topic
Tue	Mar 6		
Thu	Mar 8		<b>** PAPER 2 IS DUE BY 5:00 PM **</b>
Fri	Mar 9		
Tue	Mar 13		Spring Break
Thu	Mar 15		Spring Break
Fri	Mar 16		Spring Break
Tue	Mar 20		
Thu	Mar 22	18	What to do when you know what's right ... Giving Voice to Values I
Fri	Mar 23	19	A Regulator's Perspective
Tue	Mar 27	20	Giving Voice to Values II
Thu	Mar 29	21	Giving Voice to Values III
Fri	Mar 30		
Tue	Apr 3		
Thu	Apr 5		
Fri	Apr 6	22	
Tue	Apr 10		
Thu	Apr 12	23	Giving Voice to Values IV
Fri	Apr 13	24	A Panel of Experience
Tue	Apr 17		
Thu	Apr 19	25	Whistleblowing Part I
Fri	Apr 20	26	Whistleblowing Part II
Tue	Apr 24	27	Giving Voice to Values V
Thu	Apr 26	28	More on Whistleblowing; Anticipating the Future & Course Review
Fri	Apr 27		
Wed	May 9	29	<b>** FINAL EXAM **</b>