ACCT 5345 - Ethics for Accountants and Business Executives
Syllabus Spring 2018
(121417)
7-9:30 pm, Room TBA
Instructor: Dr. Lawrence M. Smith, CPA
Contact: By email 24/7: Lawrence.Smith@tamucc.edu, Telephone: 361-825-3729,
Office (OCNR 349) hours: M 1-4:30pm; TR 9:30-11:30am, TR 3:15-4:30pm. Please email for appointment,
since University duties may prevent me from being in my office.
Website: https://goo.gl/MEe1X1

Course Description:
The course will cover ethical theory, ethical reasoning, integrity, objectivity, independence and other core
values and regulatory requirements associated with the practice of professional accounting and decision making
of other executives, with an emphasis on corporate governance in the post-Sarbanes-Oxley regulatory
environment. This course satisfies the ethics education requirement of the TSBPA; however, it will not be
counted for advanced accounting hours required to sit for the CPA exam. Students who receive credit for ACCT
4345 cannot also receive credit for ACCT 5345.

Instructor Biographical Sketch: Dr. Lawrence M. Smith, CPA is a Professor of Accounting in the College of
Business at Texas A&M University-Corpus Christi. His academic record includes numerous journal articles,
research grants, books, academic conference presentations, and awards for teaching and research. His work has
been cited in various news media, including National Public Radio, Fortune, USA Today, and The Wall Street
Journal. His work is among the most downloaded, with over 54,000 article-downloads on Social Science
Research Network (SSRN.com). His work is highly cited, with over 2,100 citations per Google Scholar. Among
his awards are the Outstanding Educator Award from the Texas Society of CPAs and the Outstanding
Researcher Award from the American Accounting Association Strategic and Emerging Technologies Section.
You can read more about Dr. Smith at http://meettheprof.com/prof/murphy-smith/.

Learning Objectives:
Develop understanding of ethical theory, ethical reasoning, integrity, objectivity, independence and
other core values and regulatory requirements associated with the practice of professional accounting
and decision making of other executives, with an emphasis on corporate governance in the post-
Sarbanes-Oxley regulatory environment.

Relationship to Other Coursework:
The skills developed in this course build upon the introductory coverage of ethics in BLAW 3310 (Legal
Environment of Business), ACCT 4311 (Auditing) and extend the coverage of ethics in ACCT 5371
(Tax Consulting, Planning and Research) and ACCT 5351 (Strategic Cost Management).

Instructional Methodology:
Class sessions will consist of lectures, student presentations, case studies, discussion, decision making in
the face of a moral dilemma, and examinations. The course may also feature guest speakers and video
presentations.
Major Course Requirements:

Four tests @ 100 points each, includes final exam  400
Quizzes, 6 @ 10 points each (7 Quizzes, Lowest Dropped)  60
Homework, In-Class Work, Participation  20
Case Presentations, 2 @ 25 points each  50
Total points possible  530

Grading Scale: A - 90-100%, B - 80-89%, C - 70-79%, D - 60-69%, E - Below 60%.

After being graded, exams (except for the final) can be reviewed during class time only. So, ask questions and take notes at that time.


Selected Readings from:
The American Institute of Certified Public Accountants, Code of Professional Conduct.
The Securities and Exchange Commission, Rules of Professional Ethics.
The Texas State Board of Public Accountants, Rules of Professional Conduct.
Other relevant professional codes of conduct (IMA, IRS, IIA, etc.).
Sarbanes-Oxley Act of 2002 (and other relevant legislation).

Course Policies:

Attendance: Students are expected to attend each class session. Late arrivals and early departures disturb the instructor and your classmates and will not be tolerated (except, of course, for emergencies). If you are unable to attend a class meeting, it is your responsibility to obtain lecture notes, problem solutions, announcement information, etc. from a classmate.

Make-up Exams and Late work: There are no makeup quizzes. Makeup exams will be given on a designated day near the end of the semester. Late work is accepted but with reduced point value.

Extra Credit: By preparing a term paper, you may earn up to 5 points of extra credit (bonus points). The topic of your paper must be approved in advance by your instructor. You must submit by email (msmith93@murraystate.edu) a proposed topic and outline of your paper by mid-semester and submit your paper via Blackboard by the last class day. Your paper is checked for plagiarism, which if found, will result in a one-letter grade reduction for the course grade. So, be sure to cite your sources. You can earn the maximum grade of 5 if do the following: (1) Thoroughly research an international accounting-related topic; Possible topic areas include new information technology, internal control, business fraud, ethics, transfer pricing, and money laundering. (2) Prepare the paper, which must include an introduction, major points, analysis, and conclusion. (3) The report must include 8 to 10 pages of double-spaced text in the body of the report, 2 to 3 exhibits, and a references page of at least 12 references (journal articles, books, and websites referred to in the paper). (4) The paper must be prepared in good form (The Accounting Review style). An example paper regarding ethics codes is available on SSRN at: http://ssrn.com/abstract=2551003.

Cell Phone / Electronic Device Usage: Cell phone use is NOT allowed during class. You may use a laptop if absolutely necessary, with instructor’s approval.
**Academic Integrity / Plagiarism:** This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu) Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in possible failure.

**Dropping a Class:** I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with your academic advisor, the Financial Aid Office, and me, before you decide to drop this course. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class.

**Statement of Civility:** Texas A&M University-Corpus Christi has a diverse student population that represents the population of the state. Our goal is to provide you with a high quality educational experience that is free from repression. You are responsible for following the rules of the University, city, state and federal government. We expect that you will behave in a manner that is dignified, respectful and courteous to all people, regardless of sex, ethnic/racial origin, religious background, sexual orientation or disability. Behaviors that infringe on the rights of another individual will not be tolerated.

**Grade Appeals:**
As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at http://www.tamucc.edu/provost/university_rules/index.html. For assistance in the grade appeal process, contact the Dean’s office in the college in which the course is taught or the Office of the Provost.

**Disabilities Accommodations:**
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 believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116. If you are a returning veteran and are experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

**Statement of Academic Continuity:**
In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University–Corpus Christi; this course would continue through the use of
Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.

**Team Case Presentations:**

Each student will work in a team to prepare two case presentations, 5 to 15 minutes each. Each team will select two cases (shown on syllabus) and develop Microsoft PowerPoint presentation. Going less than 5 or longer than 15 minutes will result in a grade penalty. Practice before class. You must also submit a one-page summary of key points about the case and provide printed copies to all class members. Email your presentation PPT file to Dr. Smith prior to class. The presentation must include the following information, at a minimum:

a. Main issues of the case  
b. Answers to the questions  
c. Recent developments related to case

Note: All students who are not presenting are required to read the case and bring to class their answers to the questions at the end of the case. Non-presenters do not have to discuss main issues or list recent developments.

**Summary of Topical Coverage:**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage of ethical reasoning</td>
<td>7</td>
</tr>
<tr>
<td>Coverage of integrity</td>
<td>7</td>
</tr>
<tr>
<td>Coverage of objectivity</td>
<td>7</td>
</tr>
<tr>
<td>Coverage of independence</td>
<td>7</td>
</tr>
<tr>
<td>Coverage of other core values</td>
<td>7</td>
</tr>
<tr>
<td>Coverage of ethical theory</td>
<td>5</td>
</tr>
<tr>
<td>Coverage of Sarbanes-Oxley</td>
<td>2</td>
</tr>
<tr>
<td>Incorporation of AICPA, SEC, TSBPA and other relevant ethics rules</td>
<td>3</td>
</tr>
<tr>
<td>Total Hours</td>
<td>45</td>
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Acct 5345 Syllabus (Subject to Change)

Week 1 (Jan 18): Overview
Week 2 (Jan 25): Intro and Team Assignments, Chap 1.
    Chap 1 Questions 1, 3, 5, 7, and 9.
    Case: Where Were the Accountants?
    All students are to answer the questions at the end of the cases. The presenting
    team will give a PPT presentation and provide one-page summaries.
Week 3 (Feb 1): Chap 2, Chap 2 Quiz (DON’T FORGET TO BRING ANSWER FORMS).
    Chap 2 Questions 2, 4, and 6, 8, and 10.
    Case: Enron’s Questionable Transactions - Team ___.
    Case: VW Cheats on Emissions Tests - Team ____.
*Feb 2 Groundhog Day

Week 4 (Feb 8): Exam 1: Text Chapters 1-2, BLIB Chapters 1-6.
    (DON’T FORGET TO BRING SCANTRON FORM 882).
Week 5 (Feb 15): Chap 3, Chap 3 Quiz
    Chap 3 Questions 1, 3, and 5.
    Case: Art Forgeries: Is Deceiving Art Experts Unethical? - Team ___.
    Case: Gender Discrimination at IKEA - Team ____.
Week 6 (Feb 22): No class. Team work day.
Week 7 (Mar 1): Chap 4, Chap 4 Quiz.
    Chap 4 Questions 2, 4, and 6.
    Case: Bribery or Opportunity in China Case - Team ____.
    Case: BP’s Gulf Oil Spill Costs - Team ____.
Week 7 (Mar 8): Exam 2: Text Chapters 3-4, BLIB Chapters 7-12.
MARCH 12-16 SPRING BREAK!
Week 8 (Mar 22): No class. Team work day.
Week 9 (Mar 29): Chap 5, Chap 5 Quiz.
    Chap 5 Questions 1, 3, and 5.
    Case: HP Bribery for Russian Contract with Anti-bribery Prosecutor’s
    Office - Team ____
    Case: Manipulation of MCI’s Allowance for Doubtful Accounts - _na___
Week 10 (Apr 5): Chap 6, Chap 6 Quiz.
    Chap 6 Questions 2, 4, and 6.
    Case: Accounting Rule Changes Increase Apple Computer’s Revenue - Team ____
    Case: Auditor’s Dilemma - Team ____
*APR 6 - LAST DAY TO DROP A CLASS
Week 11 (Apr 12): Exam 3: Text Chapters 5-6, BLIB Chapters 13-18.
Week 12 (Apr 19): Chap 7, Chap 7 Quiz.
    Chap 7 Questions 1, 3, and 5.
    Case: The Carbon Footprint of British Airways - Team ____
    Case: The Pollution Caused by Cruise Ships - Team ____
Week 13 (Apr 26): Chap 8, Chap 8 Quiz
Chap 8 Questions 2, 4, and 6.
Case: Mark-to-Market (M2M) Accounting and the Demise of AIG - Team ___
Case: Subprime Lending—Greed, Faith, and Disaster - Team ___

Week 14 (May 3): Ethics in Business and Society (PPT on Blackboard)
Selected readings from (on Blackboard):
American Institute of CPAs Code of Professional Conduct
(http://pub.aicpa.org/codeofconduct/Ethics.aspx)
Texas State Board of Public Accountancy Rules of Professional Conduct
Article on SEC ethics rules: How Sarbanes-Oxley Will Change the Audit Process
(https://www.journalofaccountancy.com/issues/2003/sep/howsarbanesoxleywil
lchangetheauditprocess.html)

Week 15 (May 10): Exam 4 - Final Exam: Text Chapters 7-8, Etc., May 10, Thurs @ 7:15pm.
Seating Chart with Team Assignments:

TBA
Act 5345: Ethics for Accountants and Business Executives, Spring 2018

*Get to Know Each Other (All Answers Optional)*

Please Print

Last Name__________________________________________ First Name_______________________________________

Classification:

☐ Freshman  ☐ Sophomore  ☐ Junior  ☐ Senior  ☐ Master

Major/Minor or Area _________________________________________________________________

Any prior classes with Dr. Smith? ___________________________________________________

Where are you from? _____________________________________________________________

Why did you pick Murray State? __________________________________________________

Work experience (accounting or other) ______________________________________________

What do you want to do after graduation? ___________________________________________

Who’s someone you admire? Why? _________________________________________________

What’s a song or music group you like? _____________________________________________

What’s a book or movie you like? _________________________________________________

How do you define success? _______________________________________________________

Anything else you’d like to tell me about yourself? ____________________________________

Have you read the syllabus?

I have read and I understand the contents of this Syllabus.

__________________________________________________________ (Signature)

__________________________________________________________ (Date)