SYLLABUS
ACCT 4345.R01 - Ethics for Accountants and Business Executives
Spring 2020 (Jan 21-May 14)
(121019)

Course Number, Class time, Location:
ACCT-4345.R01, CRN 23552, TR 2:50-4:05 pm, ACB1 Room 357.
Instructor’s other class:
ACCT-3312.R01, CRN 20576, TR 12-1:15 pm, ACB1 Room 357.

Instructor: Dr. Lawrence M. Smith, CPA
Email: Lawrence.smith@tamucc.edu
Office: ACB1 #305
Office Telephone: 979-317-3428

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 67,000 article-downloads on Social Science Research Network (SSRN.com). His work is highly cited, with over 3,100 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, 7 @ 10 points each 70
- Homework, In-Class Work, Participation 20
- Case Presentations, 2 @ 30 points each 60
- Total points possible 550

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

Minimum points for:
- A - 495
- B - 440
- C - 385
- D - 330
- F - Below 330

Why quizzes? Quizzes are given on chapters before lectures to provide incentive to read the chapters before class, so that you can better contribute to class discussion and to better understand the subject matter.

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

**Textbooks:**


**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).

**X. Course Policies:**

**Exams:** You may be tested on all assigned readings in the text book and exercises whether or not we discuss them in class. If you have a critical reason for needing to reschedule any of the exams, discuss it with me in person or by email before the exam.

**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.

**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.

**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 (Lawrence.smith@tamucc.edu) a proposed topic and outline of your paper by mid-semester (before spring break) and submit your paper via Blackboard by the last class day. The term paper can be on any accounting or business ethics-related topic, such as fraud, a fraud case, preventing fraud, cybercrime, money laundering, setting an ethical tone at the top, history of ethical thinking, a corporate financial scandal, internal controls, forensic accounting, or other ethics-related topic. 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. Requirements: (1) Thoroughly research an ethics-related topic. (2) Prepare the paper, which must include subheadings for the introduction, major points, analysis, and conclusion. (3) The paper must include 5 to 6 pages of double-spaced text in the body of the paper, 2 to 3 exhibits, and a references page of at least 10 references (e.g. 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 the advent of accounting is available on SSRN at: https://ssrn.com/abstract=3035965.

**Grading rubric:**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body of paper (5-6 pp.)</td>
<td>6</td>
</tr>
<tr>
<td>References properly cited</td>
<td>4</td>
</tr>
<tr>
<td>Well-worded, good grammar</td>
<td>6</td>
</tr>
<tr>
<td>Exhibits (2 to 3)</td>
<td>4</td>
</tr>
<tr>
<td>Good form (see example article)</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL</td>
<td>30</td>
</tr>
</tbody>
</table>

**Academic Integrity/Plagiarism:**
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 a zero the first time and failing the course for any additional offence.

**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 me before you decide to drop to be sure it is the best thing to do. 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. The last day to drop a class with an automatic grade of “W”
this term is April 10, 2020.

Preferred methods of scholarly citations:
APA style is the only accepted method used for citations and referencing during this
class. All work should be paraphrased rather than copied directly. Material used from
sources other than the text should use APA style citations and references.

Classroom/professional behavior:
Texas A&M University-Corpus Christi, as an academic community, requires that each
individual respect the needs of others to study and learn in a peaceful atmosphere. Under
Article III of the Student Code of Conduct, classroom behavior that interferes with either
(a) the instructor’s ability to conduct the class or (b) the ability of other students to profit
from the instructional program may be considered a breach of the peace and is subject to
disciplinary sanction outlined in article VII of the Student Code of Conduct. Students
engaging in unacceptable behavior may be instructed to leave the classroom. This
prohibition applies to all instructional forums, including classrooms, electronic
classrooms, labs, discussion groups, field trips, etc.

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 and/or
guidance in the grade appeal process, students may 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:

Topic Hours
Coverage of ethical reasoning.......................................................... 7
Coverage of integrity............................................................................. 7
Coverage of objectivity ........................................................................ 7
Coverage of independence .................................................................... 7
Coverage of other core values ............................................................... 7
Coverage of ethical theory ..................................................................... 5
Coverage of Sarbanes-Oxley ................................................................. 2
Incorporation of AICPA, SEC, TSBPA and other relevant ethics rules ......... 3
Total Hours ............................................................................................ 45
Acct 4345 Syllabus (Subject to Change)

Week 1 (Jan 21):  
a. Overview of Syllabus, Google Scholar and SSRN.  
b. Intro and Team Assignments, Chap 1.

"Is life so dear or peace so sweet as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take, but as for me, give me liberty, or give me death!" (Patrick Henry).

Week 2 (Jan 28):  
a. Chap 1 Questions 1, 3, 5, 7, and 9.  

*Feb 2 Groundhog Day

Week 3 (Feb 4):  
a. Chap 2, Chap 2 Quiz (DON’T FORGET TO BRING ANSWER FORMS).  
Chap 2 Questions 2, 4, and 6, 8, and 10.  
b. Case: Enron’s Questionable Transactions - Team ___.  
Case: VW Cheats on Emissions Tests - Team ___.  
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.

"When, if not now? Who, if not you?" (Winston Churchill).

Week 4 (Feb 11):  
a. Exam 1: Text Chapters 1-2, BLIB Chapters 1-6. (DON’T FORGET TO BRING SCANTRON FORM 882).  
b. Chap 3, Chap 3 Quiz  
Chap 3 Questions 1, 3, and 5.

Week 5 (Feb 18):  
a. Team Work Day  
Case: Gender Discrimination at IKEA - Team ___.

Week 6 (Feb 25):  
a. Chap 4, Chap 4 Quiz.  
Chap 4 Questions 2, 4, and 6.  
b. Team Work Day

"But you were always a good man of business, Jacob," faltered Scrooge, who now began to apply this to himself. "Business!" cried the Ghost, wringing its hands again. "Mankind was my business. The common welfare was my business; charity, mercy, forbearance, and benevolence, were, all, my business. The dealings of my trade were but a drop of water in the comprehensive ocean of my business!" (Dickens, C. 1843. A Christmas Carol).
Week 7 (Mar 3):

a. Case: Bribery or Opportunity in China Case - Team ___.
   Case: BP’s Gulf Oil Spill Costs - Team ____.

b. Review for Exam 2

Week 8 (Mar 9-13)  SPRING BREAK!

"A good name is more desirable than great riches; to be esteemed is better than silver or gold"
(Proverbs 22:1).

Week 9 (Mar 17):

a. Exam 2: Text Chapters 3-4, BLIB Chapters 7-12.

b. Review Exam 2

Week 10 (Mar 24):

a. Chap 5, Chap 5 Quiz.
   Chap 5 Questions 1, 3, and 5.

b. Case: HP Bribery for Russian Contract with Anti-bribery Prosecutor’s Office - Team ____
   Case: Manipulation of MCI’s Allowance for Doubtful Accounts - Team ____

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see
the right, let us strive on to finish the work we are in. (President Lincoln’s second inaugural
address, March 4, 1865).

Week 11 (Mar 31):

a. Chap 6, Chap 6 Quiz.
   Chap 6 Questions 2, 4, and 6.

b. Ethics in Business and Society (PPT on Blackboard).

Week 12 (Apr 7):

a. Ethics-Cont’d

b. Team Work Day.

*APR 10 - LAST DAY TO DROP A CLASS

"...It is rather for us to be here dedicated to the great task remaining before us--that from these
honored dead we take increased devotion to that cause for which they gave the last full measure
of devotion; that we here highly resolve that these dead shall not have died in vain; that this new
nation, under God, shall have a new birth of freedom; and that government of the people, by the
people, and for the people, shall not perish from the earth" (The Gettysburg Address, President
Lincoln, November 18, 1863).

Week 13 (Apr 14):

a. Case: Accounting Rule Changes Increase Apple Computer’s Revenue - Team ___.
   Case: Auditor’s Dilemma - Team ____

b. Exam 3: Text Chapters 5-6, BLIB Chapters 13-18.

Week 14 (Apr 21):

a. Chap 7, Chap 7 Quiz.
   Chap 7 Questions 1, 3, and 5.

b. Case: The Carbon Footprint of British Airways - Team ____
   Case: The Pollution Caused by Cruise Ships - Team ____
"Mine eyes have seen the glory of the coming of the Lord; He is trampling out the vintage where the grapes of wrath are stored; He hath loosed the fateful lightning of His terrible swift sword; His truth is marching on. ...He is wisdom to the mighty, He is honor to the brave; ..." (Battle Hymn of the Republic).

Week 15 (Apr 28):

a. Chap 8, Chap 8 Quiz
   Chap 8 Questions 2, 4, and 6.
b. Case: Mark-to-Market (M2M) Accounting and the Demise of AIG
   - Team ___
   Case: Subprime Lending—Greed, Faith, and Disaster - Team ___

"O beautiful for spacious skies,... O beautiful for heroes proved In liberating strife, Who more than self their country loved, And mercy more than life! America! America! May God thy gold refine, Til all success be nobleness And every gain divine! (America the Beautiful, Katherine Lee Bates)

Week 16 (May 5):

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

Week 17 (May 12):  **Exam 4 - Final Exam: Text Chapters 7-8, Etc., Date/Time TBA**
TERM PAPER OUTLINE

Name: _________________________________________

Class: _______________________

Tentative Article Title: _________________________________________

Outline:

1.

2.

3.

4.

5.

6.

References: (provide 10 or more)

EXAMPLES:


Seating Chart with Team Assignments:

TBA
### Quiz Answer Form - Individual

<table>
<thead>
<tr>
<th>Name_______________________</th>
<th>Team # ____</th>
<th>Quiz # ____</th>
<th>Class_______</th>
<th>Date ________</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Name_______________________</th>
<th>Team # ____</th>
<th>Quiz # ____</th>
<th>Class_______</th>
<th>Date ________</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Name_______________________</th>
<th>Team # ____</th>
<th>Quiz # ____</th>
<th>Class_______</th>
<th>Date ________</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5) A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>
Team Quiz Answer Form:  Team # _____  Quiz # ____  Class_________   Date ______

Last Names of Team Members:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>

Team Quiz Answer Form:  Team # _____  Quiz # ____  Class_________   Date ______

Last Names of Team Members:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>

Team Quiz Answer Form:  Team # _____  Quiz # ____  Class_________   Date ______

Last Names of Team Members:

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>2)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>3)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>4)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
<tr>
<td>5)</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
</tr>
</tbody>
</table>
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 become a student of TAMU-CC at the RELLIS Campus? ______

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? ____________________

By continuing in this class, students are expected to read and follow the syllabus.

________________________________________ (Signature)  (Date)