I. **Course Description:** This course prepares the student to recognize and address ethical issues in their careers with specific application to the accounting environment. The course first introduces the student to ethical and behavioral theories relevant to ethical decision making so that they can understand the motivations, implications, and common pitfalls that arise and develop their own internal ethical reasoning framework. It further uses cases and accounting situations to give students practical experience in the application of these theories (and their framework) so that they experience why ethical decision making is not as cut and dried as it sometimes seems it should be. Finally, the course covers specific topics key to the accounting function such as the profession’s code of conduct, fraud, earnings management, and international financial reporting.

II. **Prerequisites:** Business administration major status and B330A (can be taken concurrently)

III. **Course Learning Outcomes:**

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

- Describe and apply ethical theories and frameworks such as the Six Pillars of Character, egoism enlightened egoism, utilitarianism, rights theory, justice, and virtue ethics.
- Apply the ethical decision-making framework presented to apply such theories and develop and internalize their own ethical decision-making framework.
- Apply their ethical decision-making framework to situations both familiar and unfamiliar.
- Apply their ethical decision-making from work taking different points of view as their focus and then from “all” points of view.
- Understand and apply the AICPA Professional Code of Conduct as well as other professional frameworks presented and the way they manifest or do not manifest ethical theory and the decision-making framework.
- Describe the way legal, regulatory, and professional obligations affect ethical decision making as well as the way they manifest or do not manifest ethical theory and the decision-making framework.
- Apply their decision-making framework in the context of the professional frameworks to various specific accounting situations, in particular to:
  - Fraud in financial statements,
  - Earnings Management and financial reporting quality, and
  - International Accounting and the global environment.

IV. **Course Materials:** Materials or textbook(s) that provide guidance on general ethical theory and practice as well as the application to accounting relevant to the learning outcomes. One such text, as an example, is
V. **Teaching Methodology:** Actual teaching methods will be at the discretion of the individual professor. However, the course will typically be taught through a combination or subset of small cases, major cases, essays or research projects, and exams. In particular, consistent with the needs of accountants, the course will provide guidance for developing knowledge of particular rules and codes while developing reasoning in realistic, ambiguous situations will be developed through cases, essays, and research projects.

VI. **Evaluation Tools:** The professor, subject to review, will determine evaluation techniques used in the course. However, the course will typically be assessed through a combination or subset of small cases, major cases, essays or research projects, and exams, consistent with the teaching methodology chosen. In particular, exams will test knowledge of particular rules and codes while the cases, essays, and research projects will provide students the opportunity to demonstrate their ability in the context of more complicated and thought-provoking situations.

VII. **Course Content:**

**Topics Covered**

**Theory:** Each of the topics below will be covered for both a general understanding and the specific implications within an accounting environment.

- Ethical reasoning (specific theories & frameworks include but are not limited to the Six Pillars of Character, egoism and enlightened egoism, utilitarianism, rights theory, justice, and virtue ethics)
- Cognitive processes and ethical decision making
- Creating an ethical environment (which includes, by its nature, effective governance)

**Specific Accounting Contexts:** Each of the contexts below will be covered in terms of the specifics of the situation and in the way they tie back to theory.

- AICPA Code of Professional Conduct and other professional frameworks
- Fraud in financial statements and auditor responsibilities
- Professional obligations of auditors
- Earnings management and the quality of financial reporting
- Ethical considerations related to international financial reporting