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INCORPORATING ETHICS INTO ACCOUNTING EDUCATION: A PROPOSAL FOR AN UNDERGRADUATE ACCOUNTING ETHICS COURSE FOR THE UNIVERSITY OF TENNESSEE, KNOXVILLE

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**INCORPORATING ETHICS INTO ACCOUNTING
EDUCATION: A PROPOSAL FOR AN
UNDERGRADUATE ACCOUNTING ETHICS
COURSE FOR THE UNIVERSITY OF TENNESSEE,
KNOXVILLE**

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**CHANCELLOR'S HONORS PROGRAM- UNIVERSITY OF TENNESSEE,
KNOXVILLE**

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Introduction: Content and Objectives

The overall goal of this research is to develop an ethics course specifically for undergraduate accounting students at the University of Tennessee. With the contemporary eruption of scandal in the accounting industry and a call for better understanding of ethical issues in accounting, it is necessary to analyze higher education's dedication to accounting ethics. As Tennessee's flagship university, it is important that the University of Tennessee-Knoxville (UTK) adapt the accounting program in a way that prepares students for the ethical challenges met in the workplace. Other top accounting programs are doing this already.

One important note to make is Tennessee's current requirement of CPAs to take the AICPA ethics exam in order to gain licensure. According to the AICPA's course catalog¹, this course teaches the "AICPA, SEC, PCAOB, and GAO independence rules . . . and the AICPA Code of Professional Conduct." While it mentions teaching foundational ethics principles as well, the course is online and the ethics exam is open book. As discussed throughout this paper, components of a quality accounting ethics course are more extensive than rules set forth by the AICPA and other accounting organizations. Along with this, it is the opinion of this paper that an open book, online course is not in accordance with the other rigorous requirements in order to become a CPA, therefore implying that ethics is an afterthought in a professional accountant's training.

¹ http://media.cpa2biz.com/Publication/catalogs_11/Spring2011CPEcatalog.pdf

With such a proposal, it is necessary to look to past and current research surrounding accounting ethics education. This paper sought to examine the relevancy of ethics education in an accounting program first. Since professional accounting has come under scrutiny after the amount of scandal it has experienced internationally, proving a relevancy was relatively simple. A similar objective researched was the *need* for such a course. By examining what educators feel is necessary, as well as what professional accounting organizations have to say on the issue, the need for an accounting ethics course becomes evident. Another question this paper tackles is the effectiveness of a standalone ethics course. Does it increase a student's moral sensitivity? Are students better able to face ethical problems in a workplace setting? Standalone accounting ethics courses have measured increases in students' abilities to analyze the moral implications of a situation (Dellaportas, 2006; Armstrong, 1993).

Next, this paper analyzes M.B. Armstrong's "Ethics and Professionalism in Accounting Education: A Sample Course" (1993) and Sims & Brinkmann's "Business Ethics Curriculum Design" (2002). This detailed analysis was crucial to the development of this paper and its concluding course outline, in that both works had developed a similar approach to this one. First, the need for an accounting ethics course is addressed, and then an accounting ethics course experiment is conducted and course outlines are suggested, respectively. This project's goal was similar to Armstrong and Sims & Brinkmann's goal: to develop an ethics course that effectively increased a student's ability to discern the moral consequences of decision making, and a student's ethical sensitivity.

Over this summer, the original research component involved identifying the top 25 undergraduate accounting programs in the nation based on the 2010 Public Accounting Report², and analyzing what these programs entailed.

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<http://www.bc.edu/content/dam/files/schools/csom/about/carrollcapital/cc201103/publicaccountingreportrankings2010-2.pdf>

Each of the total 29 programs (counting programs that tied) was researched with the goal of finding a curriculum, accounting course names, course descriptions, and course syllabi. The purpose of this was to find any accounting courses built around ethics, fraud examination, or professional preparations for the workplace. Masters level accounting ethics courses were also included, and course descriptions that identified “practical issues”, “contemporary issues” or “ethics in the accounting workplace” as goals were acceptable as well. By developing a feel for what the top accounting programs in the nation are already doing to address accounting ethics, it is now possible to design an accounting ethics course for UTK.

The proposed course outline that this paper results in was designed with UTK’s resources in mind. As a top accounting program that is no stranger to the Public Accounting Report’s Top 25 Undergraduate Programs list, it was felt that UTK is fully capable of offering a course of similar quality to the ones that other top accounting programs are implementing. However, it is only a proposal; it is urged that UTK take steps towards accounting ethics education, and this project serves as a guide for how to potentially create such a course.

Defense Research for Ethics Education for Accounting Students

The issue revolving around ethics education in accounting is not a novel subject to the profession. However, the contemporary eruption of scandal surrounding the industry such as Enron and Arthur Andersen, and the subsequent passing of Sarbanes-Oxley Act in 2002 forced the industry to re-examine the ethical standards, or lack thereof, that accounting professionals were required to uphold. Arthur Andersen’s collapse made evident the profession’s ineffective attitude regarding professionalism (Wyatt, 2004). As Wyatt, a retired professor at the University of Illinois explains, public accounting firms experienced a rapid boost in business over the course of time,

due to an ever increasing need for professional accounting skills. This led to a major trend in consulting practices, which required accounting firms to rapidly hire new professionals to keep up. Wyatt suggests this was one of the causes of a shift in culture (p. 50):

. . . the increasing infusion of personnel not conversant with, or even appreciative of, the vital importance of delivering quality accounting and audit service affected the internal firm culture, its top-level decisions, and the behavior patterns of impressionable staff personnel.

Inexperienced and unprepared professionals were thrown into the workplace without the proper understanding of how ethical principles are integrated into a professional accountant's responsibilities. Naturally, the correlation becomes somewhat clear between the poor ethical judgment calls professional accountants make, and the lack of proper ethics training in the field (Dellaportas, 2006). To make the point that internal pressures are very real, Aaron Beam, former CFO of HealthSouth, now travels to college campuses talking to students about the dangers of pressures from within the workplace. Beam spent three months in prison in 2005 after being accused of bank fraud spurred by CEO Richard Scrushy. On his website³, Beam warns that:

One day, you could be asked to do something you shouldn't do. Don't be overly influenced by others to the point that you do wrong. You have to have some moral character about how you conduct yourself in the business world. The pressure to make earnings, to make money, can lead you down a path you shouldn't go.

The profession has also developed a reputation of being "dehumanized" in a way; the distance between a decision an accountant makes and the audience it affects diminishes any moral obligations an inexperienced accountant may feel (McPhail, 2001). Because of this, it should be stressed to

³ [Http://www.aaronbeam.net/bio.html](http://www.aaronbeam.net/bio.html)

accounting students just how important a role the accounting industry plays within society, and the effects that individual auditors and other accounting professionals' decisions have on the business world (Wyatt, 2004). Dellaportas (2006) echoes this sentiment, and emphasizes that, in a profession based so strongly around its reputation, the downfall of one firm affects the entire industry's reputation, as Arthur Andersen proved. Procaro-Foley and McLaughlin (2003) note that the steps in preventing professionals from making the wrong choices should begin at the education level, and that failing to do so can be devastating for the professional, the organization, and the parties affected by the decisions.

The profession itself is also pushing for ethics education in colleges and universities. In 2005, The National Association of State Boards of Accountancy (NASBA) proposed that three ethics courses be required of students, one being business-specific and one accounting-specific (Bean and Bernardi, 2007). The Association to Advance Collegiate Schools of Business (AACSB) has been clear in its advocacy for ethics incorporated into accounting education. Gordon (2010) pinpoints the AACSB's reasoning for this stance, which is similar to what Wyatt asserted. As Gordon describes it, professional judgment is an issue that the AACSB is concerned with, as it is "related to ethics and important to the development of accountants and auditors" (p. 5). Similar to the case Wyatt made about accounting students learning the importance of accounting in society as a whole, Gordon references the AACSB's recognition that "business and society are interdependent" (2010). Students must be capable of recognizing this as well, in order to perform their duties with the optimal professional judgment that it requires.

Once it becomes evident that ethics education is an appropriate objective in the accounting profession, the overarching series of questions then becomes where, when, and how it should be taught. In his commentary on the issue, Wyatt suggests that college students be taught about the internal pressure and challenges associated with public accounting. He says that, in his experience,

“undergraduate students are probably at their peak of idealism”, so educators should exploit this opportunity to reach students (p. 53). Wyatt also argues that students should be prompted to discuss case studies, and professors should not teach singular correct answers. Along with this, Wyatt says that accounting ethics education should revolve around the philosophical concepts that are the foundation of the ethical standards in accounting, rather than around the “‘thou shalt nots’ that are commonly emphasized” (p. 52). Doing so will enhance the student’s understanding of how professional judgment realistically functions for a professional accountant. In understanding this, students are able, and more likely to, become more effective in making sound judgment calls (Gordon, 2010).

In reality, colleges and universities have thus far instituted accounting ethics in a variety of capacities, from none at all to mandatory accounting-specific ethics courses. Procario-Foley and McLaughlin (2003) point out the inconsistencies in academia; some schools are providing ethics training for business students through programs like The Center for Corporate Citizenship at Boston College and The Arrupe Program in Social Ethics for Business at Georgetown University, yet some schools do not require even a course in business ethics. While this can partly be blamed on funding available for such programs, it also points out the academic community’s lack of a definite stance on the issue. The three course requirement that NASBA originally proposed was rejected by the Association to Advance Collegiate Schools of Business (AACSB), a move that was criticized by many in the academic community (Bean and Bernardi, 2007). Bean and Bernardi note that this points to the “increasing acknowledgment of the need for ethics education for business students, which should be discipline specific rather than the current practice of incorporating ethics on a piecemeal basis throughout the curriculum” (p. 61). This concept of discipline specific ethics education versus “piecemeal” incorporation is addressed later in the paper.

While funding may be an issue for accounting ethics programs, one aspect of availability that can be quantitatively measured is the amount of textbook material available for such programs. This author found multiple resources that could be used in a classroom setting (Duska et. al, 2011; Cheffers and Pakaluk, 2005; Mintz and Morris, 2005; Beam et. al, 2009). C. William Thomas (2004) provides a complete analysis and annotated bibliography of materials available for teaching accounting ethics. More interestingly, Thomas identifies resources available through the AICPA's website called the Antifraud and Corporate Responsibility Resource Center⁴. This site provides numerous cases pertaining to companies such as Enron, Lucent, and Tyco for educators to use. Thomas emphasizes that material on the Enron scandal is so plentiful, that one course would not be able to include it all. Along with textbook and case material, Thomas mentions the alternative of using videos as a teaching tool; videos like *Bigger than Enron* provide an "interesting illustration of unethical conduct in accounting practice" (p. 35).

Therefore, the general consensus is that accounting ethics has a place in accounting education, and materials are abundantly available. Yet, the overwhelming majority of accounting programs do not include any ethics education other than a small amount in audit courses (McCarthy, 1997). Gordon (2010) found that in a sample analysis of current accounting textbooks in Canada and the United States, auditing textbooks mentioned topics such as professional judgment and ethics an overwhelming amount more than intermediate and advanced financial accounting textbooks combined, suggesting that auditing courses devote the most attention to ethics. This requires attention to the effectiveness of the current exposure students receive. An important note for the purpose of this paper is that the UTK undergraduate accounting program's most lengthy example of accounting-specific ethics exposure is in the auditing course, in which

⁴ <http://www.aicpa.org/antifraud/homepage.htm>

students are educated on the AICPA Code of Professional Conduct in mild depth. A general business ethics course is required currently, but this is in the process of changing. However, research shows that exposure to the Code of Professional Conduct does not have a significant influence on a student's ethical orientation, which is defined as conformity to the Code of Conduct (McCarthy, 1997). McCarthy points out that this simply suggests that ethics education in accounting must be approached differently than it currently is, and that one neglected aspect is a student's ability to "apply a value-based reasoning system to the profession's ethical problems" (p. 1472).

Students and faculty are the most directly affected parties of any changes in an accounting curriculum, so it is necessary to measure to what extent students and faculty are open to such changes. Along with this is the perception that students and faculty have of the importance of accounting ethics education. Adkins and Radtke (2004) reason that if students feel as though a business ethics course would have no impact on their ethical nature, or that business ethics is an "oxymoron", then they "may not be open to learning about ethics and thus feel that ethics is unimportant" (p. 282). Adkins and Radtke researched how a student perceives the importance of accounting ethics training. Using a questionnaire, 253 students participated on campuses across the U.S. When asked if students would enroll in an elective business ethics course, 50.4% of students said they would. More importantly however, when students were asked if they believed an ethics course would assist in solving "moral and ethics issues facing the accounting profession and the business community in general", 66.2% of students said yes. 15.1% said no, and 18.7% said they were unsure. The conclusion was that business students find ethics training important.

After concluding that students value the importance of ethics education, it is necessary to evaluate the likelihood of students' openness to

instructor communication. In other words, do students look to faculty for ethics education, or do they perceive it to be something learned in the workplace? Adkins and Radtke (2004) point out that if a faculty member feels an issue is more important than a student does, the message they try to communicate may fall on deaf ears. DeZoort et al. (1997) concluded that accounting professors have an influence on students' perceptions of the accounting workplace. Also, while students may receive impressions of the accounting workplace from external sources such as recruiters, other students, and family, faculty usually have an early and primary influence on student perceptions. An interesting finding by DeZoort was that accounting faculty members possibly underestimate their influence on students' perceptions of the accounting work environment. As a result, students are relying on professors for information, while professors "give only modest effort to provide such information" (p. 296).

Another facet of this is faculty's opinion of the importance of communicating business ethics in the classroom. Adkins and Radtke (2004) concluded that faculty members perceive business ethics education as less important than students do, although faculty members believed students must realize that decisions in the workplace have ethical implications. Adkins and Radtke offer that perhaps accounting faculty members do not feel qualified to teach ethics, or may not be interested in incorporating ethics into an already full curriculum. Most faculty members are not formally trained in ethics (Gunz and McCutcheon, 1998). This is not surprising, considering accounting faculty's training is technically oriented (Bean and Bernardi, 2007). However, a lack of ethical training does not necessarily undermine its importance in the field; instructors teach accounting students about the technical aspects of the accounting workplace, so it would seem natural that they should also teach ethical principles that apply to the accounting workplace as well (Everett, 2007).

For accounting educators to overcome this lack of expertise, Bean and Bernardi say there are ways of overcoming this (p. 63):

There are numerous ways to demonstrate a foundation in ethics such as: having an ethics dissertation; taking ethics courses; attending continuing professional education on ethics, studying the ethics literature, and being involved in ethics research.

Of course, these are only suggestions, and whether or not faculty would be interested in participating is a separate issue. However, combining the technical knowledge possessed by accounting faculty with a basis in ethical training can give faculty the ability to effectively teach students how the two topics are integrated. When accounting faculty members were asked about teaching ethics in the classroom, the majority of responses mentioned being inadequately trained in the field (Everett, 2007). However, Everett makes a crucial point concerning the absence of ethics teaching in an accounting course (p. 262):

Yet these individuals do teach a form of ethics, at least implicitly. By not challenging the private interest and profit maximization for shareholders, this field's cultural goods producers acquiesce to the field's dominant, relativistic/egoistic vision.

Because of this, accounting educators must be cautious in what they perceive as an absence of ethics in accounting education. If the dominant perception of the moral attitude upheld in accounting is indeed the relativist one that Everett suggests, then instructors are effectively reinforcing this idea by not speaking out against it. As pointed out, students believe that their college training should prepare them for the reality of the workplace (Adkins and Radtke, 2004). This is yet another reason why accounting instructors should strive to include some aspect of ethics training.

It is a common perception that professional accounting is an industrial profession dominated by strictly technical expertise. Because of this, McPhail (2001) compares the accounting profession to other professions such as law, medicine, and engineering with the purpose of exploring what these professions are doing to address ethics education. The goal of McPhail's research deals with "re-humanizing" the profession, a concept that stems from the amoral reputation. In agreement with other research cited, McPhail says that students must develop an ethical awareness of the impact that their decisions have on the business environment. McPhail says that one effective teaching method in the engineering profession is the use of case studies; these are ways for students to connect with real life scenarios and the ethical implications of the outcomes. Overall, "re-humanizing" the profession through educating its professionals will gain it a more humane reputation, as well as better skilled accountants.

Certainly the content of accounting ethics education is the ultimate concern in developing an effective program. While the majority of this is discussed in the Armstrong and Sims & Brinkmann section of this paper, it is important to note that research in the field suggests that ethical theory be a component of this education, to the extent that it provides "diagnostic tools to ethically analyze the issues that commonly face professional accountants" (Dellaportas, 2006).

A Review: Using M.B. Armstrong's "Ethics and Professionalism in Accounting Education: A Sample Course" as an Influential Guide in the Accounting Ethics Course Design

M.B. Armstrong has conducted significant research on the subject of accounting ethics education (Armstrong, 1984, 1987, 1990; Armstrong and Mintz, 1989; Armstrong and Mikkelsen, 1990). Her article, "Ethics and Professionalism in Accounting Education: A Sample Course" (1993) was a key consideration in this paper and in the development of the course outline. Armstrong's research directly correlates to the goals of this paper, and provides credibility for the accounting ethics education initiative. Armstrong argues that ethics education in accounting should be integrated into accounting courses as well as taught in a separate accounting ethics course. Armstrong notes that a "sandwich approach" is ideal for teaching accounting ethics. This approach suggests introduction to ethical reasoning with a general ethics course, case studies and other problems integrated into accounting courses, and then a "capstone" ethics and professionalism course in the accounting department (77).

Armstrong lays out the purpose and goals of the paper, the purpose being to develop a course and describe it, and subsequently design an experiment that measures whether moral maturity was advanced in students. One of the goals that Armstrong believes ethics education should strive to achieve is advancing a student's moral development (p. 78). An important consideration here is the use of Lawrence Kohlberg's stage theory of moral development (1976), which lays out six stages of moral development that an individual potentially transcends. The goals of ethics education, as Armstrong points out, should include the development of stages five or six, which are the two stages at the post-conventional level. Steven Dellaportas (2006) whose research is further discussed in a later section, notes the amount of research

that has found an accounting program graduate's level of moral reasoning does not match an average college graduate, but rather the general population, which is lower (p. 393).

Stage of moral development	Characteristics
<i>Pre-conventional level</i>	Self-centered level – naïvely egotistic, the concepts of good and bad, right or wrong, are interpreted in terms of pleasant or unpleasant consequences Avoiding punishment or obedience to authority
Stage 1. Obedience	Do what you are told to avoid punishment
Stage 2. Instrumental egoism and simple exchange <i>Conventional level</i>	Let's make a deal Conformity level – good-person, performing duty, meeting the expectations of the group norms and social conformity
Stage 3. Interpersonal concordance	Adherence to law and social order Considerate, nice, and kind, you will make friends
Stage 4. Law and duty to the social order	Everyone in society is obligated to and protected by the law
<i>Post-conventional level</i>	Principled level – universal principles of reasoning abstracts of morality, utilitarianism and justice pervade the ethical framework judged on the basis of the internalized principles of the individuals
Stage 5. Consensus-building procedures	You are obligated by the arrangements that are agreed to by due process procedures
Stage 6. Non-arbitrary social co-operation	Morality is defined by how rational and impartial people would ideally organize co-operation

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Using Kohlberg's theory of moral development as a platform as well as numerous psychological studies on the issue, James Rest (1988) has addressed the issue of whether ethics can be taught effectively in a professional school setting (adapted from Armstrong, p. 79):

⁵ <http://www.emeraldinsight.com/journals.htm?articleid=880505&show=html>

1. Dramatic and extensive changes occur in young adulthood (the 20s and 30s) in the basic problem solving strategies used by the person in dealing with ethical issues
2. These changes are linked to fundamental reconceptualizations in how the person understands society and his/her stake in society.
3. Formal education (years in college/professional school) is a powerful and consistent correlate to this change.
4. Deliberate educational attempts (formal curriculum) to influence awareness of moral problems and to influence the reasoning/judgment process can be demonstrated to be effective.
5. Studies link moral perception and moral judgment with actual, real-life behavior.

As Rest (1986) explains, ethics education is not a futile effort in shaping moral beliefs and developing moral reasoning skills. With a properly developed course, post-conventional levels of moral reasoning in Kohlberg's model are achievable. Rest's Defining Issues Test (DIT) modeled after Kohlberg's stage theory of development is a test designed to measure moral progression, used in many empirical studies such as Armstrong's (1993 and 1986, 1987; Dellaportas, 2006). Dellaportas (2006) notes that stages three and four of Kohlberg's model are the highest the majority of adults will reach without "significant intervention" (395).

Rest's analysis (1986) also addresses the factors to be considered when designing a program, which Armstrong uses: "(1) Courses/programs in moral education which emphasize dilemma discussion and personality development both produce modest increases in DIT scores, with the dilemma discussion method having a slight edge; (2) the magnitude of the increase in DIT scores is related to exposure to Kohlberg's stage theory of moral development; (3) interventions (courses) longer than 12 weeks have no more impact than

interventions of 3 to 12 weeks; and (4) interventions less than three weeks do not cause increases in DIT scores.” Armstrong uses Rest’s analysis as a basis for what material should be included in the course (dilemma discussion or case studies), the duration (3-12 weeks) and the level of exposure to Kohlberg’s stage theory (80). Such courses, as Rest concluded, can “speed up” the moral development process by four or five years (Armstrong, p. 83).

Armstrong (1993) lays out the four major elements in her ethics and professionalism course that must be communicated to students (p. 81-82). The first is a foundational introduction to ethical theory. Asking students to discuss case studies without first teaching the theoretical basis required to understand the underlying ethical issues would stump any progression the course attempted to make. Armstrong suggests incorporating three aspects: philosophical ethical theory, moral development theory, and sociological impact of a profession. Exposure to these gives a student the necessary tools for ethical decision making, as well as the impact an accountant has on society, both personally and professionally.

The second element is a discussion of the profession’s principle-based rules, such as the AICPA Code of Conduct. As it relates to this paper, this is the most evident ethics exposure that undergraduate accounting students see in their curriculum. Armstrong warns against this as a dominant component of ethics training (p. 82):

When codes, or detailed rules, are taught in this manner [as ends in and of themselves], students often conclude that the absence of a rule in a particular area, or the absence of a rule that is exactly on point allows one to behave in any manner one chooses. Thus, concentration on the rules per se often leads to ways of ‘loopholing’ or circumventing the spirit of the rules. Rather, professional guidance should be studied in such a way that students learn the underlying principles upon which the rules are based.

Teaching the rules a profession upholds in various codes of conduct and professional standards only exposes the student to an elementary level of moral decision making. For example, when analyzed using Kohlberg's stage theory of moral development, this appears to put a student's moral development (at best) at Stage 4, which is law and duty to the social order (see table on page 2). At its most comprehensive level, however, the codes of conduct only adhere with Stage 1, which is obedience. Relying on codes of conduct provided by the profession does not appear to enhance a student's moral decision making skills.

The third element Armstrong advocates involves discussing current issues surrounding the profession. This is a way to keep ethics discussion relevant and applicable to the student's career path. The accounting profession is one that is continually evolving due to new regulatory issues and legislative changes. It is important to keep students' current on the ethical issues the industry is facing. The fourth and last element Armstrong includes is the recognition and understanding of the profession's responsibility to society. More specifically, it must be communicated to a student the ways in which society depends on professional accountants. Armstrong says that an "expectations gap" can occur when professionals are not aware of the "social contract" they enter, which is "to provide expertise, a public service, and self-regulation . . . in exchange for autonomy, monopoly, and the right to self-regulate" (p. 82). In professions such as accounting, law or even health, certain expectations are laid out—the public expects a certain level of performance, and this is due to the public's reliance on what a profession produces. For an accountant, these expectations include reliability of financial information, which directly and heavily affects public confidence in business and investing. Once the correlation is drawn between an accountant's role in society and the public's dependence on that role, the student is able to see how important moral decision making really is.

Armstrong built her ethics and professionalism course around each of these factors, resulting in an elective course that meets for 10 weeks, 4 hours a week. In this experiment, 22% of the senior class took the class as an elective. Using a control group of junior-level accounting students and the senior-level group enrolled in the ethics and professionalism course, Armstrong administered the DIT at the beginning of the term and again at the end. The control group, with an average age of 23.4, saw a change in average P score of +3.7. The students enrolled in the course, with an average age of 23.9, saw a +7.8 change in average P score. Also important to note is the pretest average P scores; the enrolled students had an average pretest P score of 49.5 and the control group's average pretest P score was 40.1. Armstrong says this is partly due to the enrolled group's 57% exposure rate to ethical theory in previous ethics classes, which also supports her "sandwich approach" theory, in which repeated exposure can have significant effects (p. 85 and 88).

An important final point to make is Armstrong's concern over the "false dichotomy" that exists when discussing how ethics education should be implemented in a curriculum (p. 79). Teaching a separate ethics course within the curriculum does not intend to push the topic of ethics out of other accounting or general education courses, nor should it. Rather, an ethics course with an accounting focus should capitalize on students' knowledge of ethics from other courses. While the "sandwich approach" Armstrong advocates is ultimately the ideal way to educate students, it is just that—ideal (p. 89). As it pertains to this paper, this approach is difficult to implement due to time and financial constraints. The focus of this paper remains the creation of an accounting ethics course designed for the University of Tennessee, and does not strive to penetrate other accounting courses' material. However, it also does not seek to deprive other accounting courses of the ethical elements already incorporated. The overall influence Armstrong's work had on this paper includes specific course details, as well as the method that was used to achieve

the overall goal of increased moral reasoning skills of future accounting professionals.

R. Sims and J. Brinkmann's "Business Ethics Curriculum Design: Suggestions and Illustrations" as Another Primary Tool

Sims and Brinkmann's article (2003) became a major influence on this paper with its dialogue concerning realistic expectations and limitations within existing business schools' curricula. The reality is that major changes in a business school curriculum are difficult to achieve, and choices must be made with these limitations in mind. While the article is a more general discussion of business ethics and does not strictly pertain to accounting, its relevancy remains due to its similar goal of answering how ethics education in business schools should be approached. Sims and Brinkmann offer three perspectives to be considered when first addressing the business ethics education issue.

The first perspective is the reflection perspective, for which Sims and Brinkmann offer a first thesis (p. 70):

1. *Business ethics should invite holistic reflection (with moral reflection as one dimension among others).*

The purpose for including this is to stress the importance of a student's ability to practice moral reflection. Sims and Brinkmann note that the moral reflection process takes place over one's life, and is a combination of recognizing instilled values and beliefs, and learning new perspectives (p. 71). Sims and Brinkmann call for students to "reconceptualize their understanding of themselves, their knowledge and beliefs, and . . . the role of business in society" with the goal of developing a deeper sensitivity to ethical issues and an increased self-

awareness (p. 71). As an opinion of this author, Sims and Brinkmann's first thesis is perhaps an appropriate outlet for the philosophical grounding that Armstrong advocated. The exposure to Kohlberg's model, as well as traditional philosophical theory, would enable this reconceptualization to happen in students. It would also encapsulate the holistic element that Sims and Brinkmann discuss. It is appropriate that this was the first thesis consideration of the article, as it also aligns with Armstrong's first element of an accounting ethics course.

The second perspective Sims and Brinkmann offer is the interdisciplinary perspective, which pertains to how business ethics is approached within the curriculum. The second thesis they offer is (p. 71):

2. *Business ethics teaching should build bridges across existing courses rather than further inter-course-fragmentation, i.e. business ethics teaching should be interdisciplinary rather than single-disciplinary.*

The significance of an interdisciplinary approach is that it allows students to understand the relationship between different business functions. Sims and Brinkmann point out that the benefits of offering a multidimensional business ethics course include the students' development of analytical and critical thinking skills, as well as "an understanding of the congruence between business decisions and ethical behavior" (p. 72). The interdisciplinary approach that Sims and Brinkmann advocate recognizes the complexity of business enterprises, and that ethical issues can arise in countless different contexts. This is applicable to an accounting curriculum since often a student's perception of real world business activities is narrowly conceived; there is a tendency to think of the "number-crunching" first, while missing a bigger picture. With an interdisciplinary approach, it is possible to communicate to students how volatile the business environment can be, and how ethical issues do not just arise in one department; auditors face different ethical issues than

tax associates or risk assurance staff do, all while the profession sees ethical issues that are in every department.

The third and final perspective that Sims and Brinkmann discuss is the curriculum logistics perspective, which deals with a school's openness to business ethics as a focus in a business major curriculum. Sims and Brinkmann's thesis on this is (p. 72):

3. Curriculum logistics can be an important factor regarding how business ethics is perceived by students and faculty.

The main issue that curriculum logistics faces is a business school's willingness to offer such a course. For example, Sims and Brinkmann warn of business ethics developing an "add-on prejudice", meaning a business ethics course is disposable when necessary, and put into a curriculum only when there is an opening within the curriculum (p. 73). Not only does this create an unstable business curriculum, it also undermines the importance of ethics education within business programs. For ethics to be considered one of the mandatory pieces to the curriculum puzzle, it must not be a disposable topic. Sims and Brinkmann note that in their experiences, business ethics courses at their affiliated schools were offered depending on upper-level stakeholders' opinions of business ethics courses, as well as students' reactions to the course. In fact, while their article was in progress, a business ethics course at one of the author's schools was cut out of the program, and reintroduced again, after an opening became available (p. 73). This is another noteworthy example of the business school community's lack of a united goal for business ethics. While there is definitely an availability aspect that is currently hurting business ethics education, it must be addressed in some way.

A Cross-Analysis of Armstrong and Sims & Brinkmann, and the Implications for the UTK Course Outline Proposal

From an academic research standpoint, both Armstrong's and Sims & Brinkmann's works on how to go about designing a business ethics course were major influences on the design of the proposed course outline that this paper results in. Both articles are mentioned as supporting research in other areas of this paper, but the ultimate reason these articles demanded so much attention is that they both had the same goal that this paper does: a proposed course outline for an accounting ethics course (in Armstrong's case) or, more generally but equally important, a business ethics course (in the Sims & Brinkmann article). After analyzing the two, cross-examining them becomes possible, with the intention of identifying the most useful tools and important concepts to include. It can be argued that if unifying ideas can be found in these articles, then they are significant due solely to the fact that these articles were published ten years apart: Armstrong in 1993 and Sims & Brinkmann in 2003.

Both articles begin with suggestions relating to a foundational ethics education in traditional ethical theories. This speaks to the importance of making sure students are equipped with a philosophical understanding of ethical theory; Sims & Brinkmann argued that students must develop sensitivity to ethical issues, and Armstrong offered that without a foundational ethical theory education, students are unequipped to learn from and analyze case studies, as well as real world dilemmas. It becomes clear that traditional ethics education is a necessary component, as well as a "building block" of sorts for further ethics education. This was a major consideration for this paper, and the introduction to ethical theory was included in the proposed course outline. The extent to which ethical theory should be included became another question, which was addressed earlier in this paper.

Another unified point both papers made dealt with the integration of ethics into a curriculum; not only is a separate course dealing specifically with ethical issues important, but maintaining a level of ethics discussion in existing courses is important as well. Sims & Brinkmann spoke of the “vacuum” effect that business ethics education should avoid; the relation that ethics has to other business courses must be made clear, so students see the interdependence of the two (p. 69). Armstrong also included this idea in her theory, and spoke of the “false dichotomy” that exists when discussing if ethics should be taught separately or as part of an existing accounting course (p. 79). For these reasons, in relation to this paper, the author issues the opinion that existing accounting courses at UTK maintain the various ethical elements that are already incorporated. For example, the undergraduate auditing course at UTK currently stresses the AICPA’s Code of Professional Conduct, and offers conflicting case studies, which a student is required to analyze and offer a best solution for. Also, the intermediate financial reporting course briefly introduces ethics into the discussion on financial statement analysis. Students learn that ethics goes beyond following rules, and that “moments” in which an accountant is capable of making an unethical decision are discrete. The discussion also touches on adversity that arises when making a judgment call, and the process in making an ethical one. While these are all aspects included in a quality ethics discussion, they are, as mentioned, brief in length due to the amount of technical material required in financial reporting. Fortunately, even at the current minimal level of incorporation, these projects at least introduce the student to the uncertainty involved in decision making. As with ethical dilemmas, there is not usually one right answer in these projects. If these elements were taken out of existing accounting course outlines, students would relapse into the narrowed focus and not see ethics as concept that spans the entire curriculum. For this reason, this paper does not recommend eliminating these ethics components in existing classes. Both Armstrong and Sims & Brinkmann found this issue of integration important enough to include in their research.

Another important idea, as it relates to this paper, that Armstrong and Sims & Brinkmann advocate is the inclusion of society's influence on business and accounting. Armstrong pointed out the significance of what society expects from the accounting industry; this is a way to show students how important reputation is in the accounting industry, and how crucial it is to meet societal expectations. Sims & Brinkmann's work also points out the importance of making students aware of the role that business plays in society. This is a crucial element of business ethics education in that it exposes the student to the larger societal responsibilities that accountants have. The obligation to the public is often overlooked by accounting students, since the tendency is to focus solely on individual performance within a curriculum. Students must be exposed to the overarching idea that the accounting industry's output has a direct and significant impact on the business world's workings. Armstrong suggests that any current articles relating to the accounting field (e.g., financial press, public-opinion surveys) be included in the course as a way to keep students informed of the public's demands from the accounting industry. The sociological aspect was included in the proposed course outline as well.

As this section has strived to communicate, designing an accounting ethics course outline must be done in a way that maximizes a student's learning. It is impossible to cover every ethical issue in accounting and teach every philosophical theory related to the field, which is why it is important to analyze previous research conducted, such as Armstrong's and Sims & Brinkmann's. Both offer legitimate and organized proposals that effectively and efficiently give students adequate knowledge of the ethical implications of business decisions. Creating this awareness among accounting students is one of the goals of this paper, so finding previously conducted research with the same goals was crucial to the development of this paper.

An Analysis of the Top 25 Undergraduate Programs: Using Current Practices as a Measurement

One of the major undertakings of this project was the analysis of the 2010 Public Accounting Report's Top 25 undergraduate accounting programs⁶. The method was researching each college or university's accounting program listed with the goal of obtaining an understanding of what each program is currently implementing as an ethics component, if any ethics component is included at all. The purpose of this was to find what highly-ranked accounting programs are doing to integrate ethics in accounting. As Tennessee's flagship university and a program often listed in the Top 25 accounting programs, UTK can use these top programs as a benchmark.

The following table is the list of programs, along with any ethics, professionalism, or fraud courses offered in the respective course catalogs. The criteria were purposely left broad, in order to avoid overlooking any attempts to teach ethics in accounting. For example, fraud courses may not provide the foundational ethical theory that is desired, but in the very nature of a fraud course, light is cast on the implications of unethical decisions in the workplace. Along with this, any course involving professionalism or contemporary accounting issues were included, the reason being that these titles suggest that the purpose of the course is to educate students on real workplace situations, which is one goal of accounting ethics training. And finally, undergraduate level as well as Masters-level courses were included, for the purpose of understanding what top programs currently perceive to be the optimal time to educate students on these issues.

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<http://www.bc.edu/content/dam/files/schools/csom/about/carrollcapital/cc201103/publicaccountingreportrankings2010-2.pdf>

2010 Public Accounting Report Top 25 Undergraduate Accounting Programs

College	Undergraduate or Masters	Accounting specific?	Course Name	Course Description
1. University of Texas- Austin (McCombs)	N/A	N/A	N/A	N/A ⁱ
2. Brigham Young University (Marriott)	<i>Undergraduate</i>	No	BUS M 390 Prerequisite: Acceptance into the upper division business major.	Analyzing ethical dilemmas and understanding ethical theories as they apply to decision making in management. ⁱⁱ
3. University of Illinois- Urbana Champaign	Undergraduate	Yes	ACCY 398: Practical Problems in Accounting	Course covers the professional standards related to corporate financial reporting, taxation, auditing, and public sector reporting. ⁱⁱⁱ
4. University of Notre Dame (Mendoza)	Undergraduate	Yes	ACCT 3075: Ethics in Accounting Prerequisite: BAET 20300	This course examines a range of ethical issues associated with the major areas of accounting including auditing, tax and managerial/financial accounting. Furthermore, the ethical theories that underpin decision making in accounting are applied as well as the dimensions of professionalism in the field. A combination of case analyses, issue paper, exam, and classroom discussion are used to evaluate students' learning. ^{iv}

5. Indiana University-Bloomington (Kelley)	N/A	N/A	N/A	N/A ^v
6. Ohio State University (Fisher)	N/A	N/A	N/A	N/A ^{vi}
7. University of Southern California (Marshall)	Undergraduate	Yes	ACCT 370ab. External Financial Reporting	A) Understanding of decision-making, problem solving, and research skills as a supplement to financial accounting knowledge for accounting professionals. B) Continuation of understanding of decision-making, problem solving, and research skills as a supplement to financial accounting knowledge for accounting professionals. ^{vii}
7. University of Southern California (Marshall)	Undergraduate	Yes	ACCR 462. Detecting Fraudulent Financial Reporting	Understanding/identifying methods of fraudulent financial reporting, and signals that financial statements were fictitiously prepared; major frameworks for analyzing ethical dilemmas; reforms in corporate reporting environment. ^{viii}
7. University of Southern California (Marshall)	Undergraduate	Yes	ACCT 372: Internal Reporting Issues	Understanding of decision-making, problem solving, and research skills as a supplement to managerial accounting knowledge for accounting professionals, ^{ix}
8. Texas A&M University	Undergraduate	Yes	ACCT 410: Fraud Examination Prerequisite: ACCT	Principles and methodologies of detecting and deterring fraud using accounting, auditing, and

			327 with grade of C or better; junior or senior classification	investigative skills; includes skimming, larceny, misappropriations, fraudulent statements, interviewing witnesses and support for litigation. ^x
8. Texas A&M University	Undergraduate	Yes	ACCT 450: Accounting Ethics Prerequisite: ACCT 328; junior or senior classification.	Integration of ethical reasoning, objectivity, independence and other core values into the development of a professional accountant; critical analysis of the ethical lapses which have occurred in business and the accounting profession; exploring ways to integrate ethical behavior into professional life. ^{xi}
9. Michigan State University	Undergraduate	Yes	ACC 250: Preparing for an Accounting Career	Changing environment and career management in professional accounting. Change management, ethics, professional certification, improving writing and speaking skills, globalization, and technology. ^{xii}
10. University of Georgia (Terry)	Masters	Yes	ACCT 7651: Forensic Accounting and Fraud Examination	A survey of the rapidly developing and increasingly relevant discipline of forensic accounting. Students will develop increased awareness of fraud in business, the circumstances in which it arises, techniques for detecting, measuring, and preventing fraud, and skills needed to help in the eventual resolution of discovered frauds. ^{xiii}

10. University of Wisconsin- Madison	Masters	Yes	ACC IS 601: Professional Practice Issues in Accounting and Auditing	Study of current accounting and audit issues within a case context. Students will be required to perform computerized research, analyze topical accounting and audit issues, and make case presentations. Intensive three week course to build on experiences during the internship program. ^{xiv}
11. University of Washington (Foster)	N/A	N/A	N/A	N/A ^{xv}
12. University of Florida (Warrington)	N/A	N/A	N/A	N/A ^{xvi}
13. University of Virginia (McIntire)	N/A	N/A	N/A	N/A ^{xvii}
14. Penn State University	N/A	N/A	N/A	N/A ^{xviii}
15. Arizona State University	Undergraduate	Yes	ACC 194: Leadership, Ethics, Accountability, and Professionalism	LEAP Program: Requirement upon entering the Accounting program. ^{xix}
16. Miami University (Ohio-Farmer)	Masters	Yes	ACC 650: Fraud Examination	Study of the process of locating, investigating, and documenting fraud in a business environment. In addition to learning about several common types of fraud schemes, students will learn how and why occupational fraud is committed, how fraudulent conduct can be deterred,

and how allegations of fraud a should be investigated and resolved.^{xx}

17. University of Missouri Columbia (Trulaske)	Undergraduate	No	ACC 4301- Topics in Accounting	Independent investigations, reports on approved topics. ^{xxi}
18. University of Iowa (Tippie)	N/A	N/A	N/A	There are no specialized classes; however, Chris Hoffman, Partner at PwC created ethics focused training videos. It is embedded in accounting classroom instruction including other case studies. ^{xxii}
19. University of Mississippi	N/A	N/A	N/A	N/A ^{xxiii}
20. Bentley University	Undergraduate	Yes	AC 332. Fraud Examination	Introduces concepts and techniques useful for accountants, managers, business owners, and criminal investigators. The course covers many types of financial statement fraud, including asset misappropriation, fraudulent financial statements, tax fraud, and electronic fraud. Topics include detection, prevention, investigation, and resolution of various types of fraud, and guest speakers and videos will be used to enhance the real-world nature of the course. ^{xxiv}
21. University of Utah	N/A	N/A	N/A	N/A ^{xxv}

21. University of Utah	Masters	Yes	ACCTG 6530: Fraud Examination and Forensic Accounting	Cases and projects designed to help students understand the guidelines for successful fraud prevention and detection. In addition, hands on experience using a variety of fraud prevention tools. ^{xxvi}
22. Northern Illinois University	Undergraduate	Yes	ACCY 470: Accounting Career Skills Seminar	Explores a variety of situations that accounting professionals experience in their careers and discusses the necessary skills and appropriate behaviors in those situations. Required. ^{xxvii}
22. Northern Illinois University	Undergraduate	Yes	ACCY 465: Forensic Accounting/Fraud Examination	Study of fraud detection and control from the perspective of public, internal, and private accountants. Topics include principles and standards for fraud-specific examination, fraud-specific internal control systems, and proactive and reactive investigative techniques. Offered as an elective. ^{xxviii}
23. Boston College (Carroll)	Masters, but not restricted to graduate level students.	Yes	MA 634 Ethics and Professionalism in Accounting	The professional role of the CPA is to protect the investing public, yet the CPA's profit is dependent on controlling costs and managing a portfolio of satisfied corporate clients. These realities lead to a conflict of interest that is at the heart of the course. This course will focus on the nature of professions and professionalism. Specific attention will be paid to the AICPA's code of ethics,

economic and regulatory factors affecting the public accounting profession, and various aspects of the current accounting environment. ^{xxix}

23. University of Alabama	Undergraduate	Yes	AC 432: Introduction to Corporate Governance, Risk Assessment, and Assurance Services	A risk-oriented study of standards, concepts, procedures and professional ethics underlying governance and the practice of external and internal auditing and assurance services. The course will focus on mechanisms and activities that enhance the reliability of information for decision making. ^{xxx}
23. Baruch College (City University of New York) (Zicklin)	N/A	N/A	N/A	N/A ^{xxxi}
23. Virginia Tech (Pamplin)	Undergraduate	Yes	ACC 3414: Auditing, Governance, and Professional Ethics	The purpose of this course is to introduce the accounting student to the interrelationships between auditing and corporate governance with an emphasis on the societal role of auditing, internal control, and professional ethics ^{xxxii}
23. College of William and Mary (Mason)	N/A	N/A	N/A	N/A ^{xxxiii}
24. Baylor University (Hankamer)	Undergraduate	Yes	ACC 4350: Business Ethics for Accountants	Examination of moral and ethical issues within the accounting profession and the broader business

environment. In addition to a broad study of ethical behavior and decision making, various professional codes of conduct within the accounting profession will be examined. Central to this examination will be the discussion of integrity, independence, and objectivity, as well as accountants' legal liability.^{xxxiv}

Source: Public Accounting Report 2010; course catalogs (endnote references).

2010 Public Accounting Report Top 25 Undergraduate Programs: Divided Into Categories *Undergraduate, Masters, None*

Undergraduate	Masters	None
		1. University of Texas- Austin (McCombs)
2. Brigham Young University (Marriott)		
3. University of Illinois- Urbana Champaign		
4. University of Notre Dame (Mendoza)		
		5. Indiana University- Bloomington (Kelley)
		6. Ohio State University (Fisher)
7. University of Southern California (Marshall)		

8. Texas A&M University		
9. Michigan State University		
	10. University of Georgia (Terry)	
	10 (2). University of Wisconsin-Madison	
		12. University of Washington (Foster)
		13. University of Florida (Warrington)
		14. University of Virginia (McIntire)
		15. Penn State University
16. Arizona State University		
	17. Miami University- Ohio (Farmer)	
18. University of Missouri Columbia (Trulaske)		
19. University of Iowa (Tippie)		
		20. University of Mississippi
21. Bentley University		
	22. University of Utah	22. University of Utah
23. Northern Illinois University		
	23. Boston College (Carroll)	
23. University of Alabama		
		23. Baruch College (Zicklin)
23. Virginia Tech (Pamplin)		
		23. College of William and Mary (Mason)
23. Baylor University (Hankamer)		

Undergraduate Level: 14 out of 29

Masters Level: 5 out of 29

None: 11 out of 29

The results show that teaching accounting ethics, fraud prevention, or professionalism occurs primarily at the undergraduate level, which is what this paper proposes as well. Regarding the level at which the course is taught in the undergraduate curriculum, the results varied. Arizona State University teaches a professionalism course at the 100-level, and the course is required for all entering the accounting major. The University of Southern California offers the most courses: two dealing with fraud, and one with internal reporting decision making.

One notable course is Notre Dame's (Mendoza) Accounting 3075: Ethical Issues in Accounting. The prerequisite to this is Business Ethics 20300, so students are exposed to business ethics before entering the accounting ethics course. The course description also includes all aspects of professional accounting, including auditing, financial accounting, tax, and managerial accounting. The opinion of this paper is that this is one of the optimal approaches to providing quality accounting ethics education, since it provides almost all of the aspects touched on in the defense research section of this paper. Another notable approach is Boston College's (Carroll) Masters level course that is not restricted to Masters of Accountancy students. This is potentially a viable approach if undergraduate resources were limited, and the Masters of Accountancy program had more readily available resources. Offering the Masters level course as an elective to undergraduate accounting students would still allow undergraduate students to receive accounting ethics training, as well as gain an insight to the Masters program.

Overall this analysis sought to examine what top accounting programs are doing currently for accounting ethics education. It is evident that ethics and professionalism have gained status as a necessary component to accounting education. To stay current, it is suggested that UTK take the same initiative. The subsequent course outline proposal is the culmination of the background research defending the relevancy of an accounting ethics course, the course outlines suggested by Armstrong (1993) and Sims & Brinkmann

(2002), and the Public Accounting Report undergraduate accounting program analysis.

Accounting Ethics and Professionalism Course Outline Proposal for the University of Tennessee, Knoxville

Course Description: The purpose of this course is to introduce ethical issues encountered in the accounting profession at an undergraduate level. The foundational ethical theories will be introduced and applied during extensive discussion of case studies. The course will also focus on the accountant's responsibility to make judgment calls in accordance with the AICPA's Code of Professional Conduct and GAAP. Essay exams, classroom discussion, and quizzes will be used as evaluation tools.

Course Objectives:

- To understand foundational ethical theory as it applies to business
- To extensively analyze case studies and identify the potential ethical situations in the accounting workplace
- To comprehend the impact that decision making in professional accounting has on the business environment
- To develop a thorough understanding of the AICPA's Standards
- To explore the different situations encountered in branches of accounting: auditing, tax, financial reporting, and managerial accounting
- To gain an understanding of current events surrounding the accounting environment

Required Text:

- *Accounting Ethics (Foundations of Business Ethics)* (2011) by Duska, Duska, and Ragatz

Recommended text:

- *Healthsouth: The Wagon to Disaster* (2009) by Beam, Warner, Ball and Carlton

Course Content:

- I. Foundational Ethical Theory
 - i. Mill's Utilitarianism
 - ii. Virtue Ethics
 - iii. Kantian Ethics
 - iv. Rest's DIT Scale

- II. Applying Ethics to Accounting
 - i. Duska, Duska, and Ragatz book
 1. Ethical responsibilities of professional accountants
 2. Impact of professional accounting on the business environment
 3. Real world examples of ethical accounting issues

- III. Professional Standards
 - i. AICPA Code of Professional Conduct
 - ii. AICPA's Statements on Standards for Tax Services
 - iii. AICPA Statement on Standards for Valuation Services
 - iv. AICPA Statement on Responsibilities in Personal Financial Planning
 - v. Application of professional standards to case studies

- IV. Case Study Analysis

- i. Enron
- ii. WorldCom
- iii. Healthsouth
 1. *Healthsouth: The Wagon to Disaster* by Aaron Beam
- iv. Other selected cases

This proposed course outline attempted to address the major ethical issues surrounding the accounting profession in a way that is accessible to undergraduate students. The foundational ethical theory was placed before the AICPA Professional Standards section, in an attempt to educate students on the importance of ethical principles. The current accounting curriculum places priority on professional standards, such as those laid out by the AICPA, which gives the notion that real world decisions are always decided by predetermined rules. This outline was structured in such a way that attempts to negate this; morality in the workplace is often a “gray area” that requires a higher level of consideration than adhering to professional standards.

It is suggested that this course be offered at the 400 level. By doing so, the course will be a capstone in the accounting curriculum. It is also recommended that it be a 3 hour course, to preserve the quality of the material. The case studies section of the outline left room for cases selected at an instructor’s discretion; this was partly done as a way to keep the cases current, and also as a way for instructors to incorporate cases that have happened locally. This is one way for the course to relate accounting scandals in the community surrounding UTK to students. In other words, this “hits home” for students, allowing them to further understand the sociological impact of the accounting profession discussed earlier. Also, the Healthsouth case was included because of the accompanying material that supports it. Aaron Beam, former CFO of Healthsouth, discussed in his book the internal

pressures he was faced with from Healthsouth's CEO, Richard Scrushy. Beam's book provides insight to the potential disaster that can occur when pressure is exerted onto the accounting staff to meet certain figures. This author felt that Beam's book was the optimal approach to introducing students to this aspect of ethics in accounting that is difficult to teach in a classroom.

A final note on the course outline is the method of evaluation. With case studies being one of the primary tools in this course, it is suggested that essay exams be used. This requires students to reason through a problem, and to discuss the possible solutions; this also gets across that there are multiple correct solutions possible. Another suggested route is creating a project in which students research one major accounting scandal, and identify where the accounting firm or employee went wrong. Also, it would be beneficial for students to identify the impact the scandal had on the business environment. Cases like the Bernie Madoff Ponzi scheme or Healthsouth's fraudulent financial reporting would get across to students the impact accounting fraud has on individuals, and the obligation that professional accountants have to society. For this, Caseplace.org offers multiple cases for instructors to choose from.

Final Commentary

One potential limitation to this project includes the undergraduate level at which the research was conducted. Accounting instructors with experience in designing courses may have commentary to offer on how to improve the design and implementation of an accounting ethics course. The undergraduate perspective the research was conducted from is potentially narrow. For further guidance on designing an accounting ethics course, instructors should look to research mentioned in this project (Armstrong, 1993; Sims & Brinkmann, 2002; Dellaportas, 2006). Another limitation is the supply of instructors

capable and willing to teach such a course. Most accounting faculty research backgrounds are in technical areas of accounting, so it would be necessary to use instructors with experience in ethical accounting practice research. Also, it is recommended that instructors of an accounting ethics course gain experience in teaching foundational ethical theory; this is difficult to ask of instructors, since it requires a wider set of skills than traditional accounting courses, and instructors may not be willing or able to make this extra effort. Also, the accounting curriculum may be incapable of offering another course to its students; it is currently full, and asking to replace one of the technical accounting courses with an accounting ethics course is simply inefficient. Because of this, it is suggested that the department look into offering the accounting ethics course as a component of the liberal arts education (e.g., replacing a history requirement with an accounting ethics requirement for accounting majors). This is one possible solution for creating a “fit” for an accounting ethics component.

The goal of this project was to design an accounting ethics course for undergraduate accounting students at UTK for ultimately two reasons. First, an accounting ethics course is an effective and necessary tool to negate the recent scandal in the accounting industry. Second, UTK’s prestigious accounting program must stay current with what other top undergraduate accounting programs in the country are doing to address ethics education in accounting. With these reasons in mind, this project strives to become a guide for accounting instructors on how to go about designing an accounting ethics course.

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- ⁱ <http://registrar.utexas.edu/catalogs/ug08-10/ch04/ug08.cr04a.ba-fin.html#accounting-acc>
- ⁱⁱ <http://saas.byu.edu/catalog/2011-2012ucat/departments/BusinessMgt/BusMCourses.php>
- ⁱⁱⁱ <http://www.business.illinois.edu/accountancy/programs/cpa/syllabus.pdf>
- ^{iv} http://business.nd.edu/accountancy/academics/undergraduate_accountancy_courses/
- ^v <http://kelley.iu.edu/Accounting/undergraduate/courses/page12829.cfm>
- ^{vi} https://courses.osu.edu/psp/hcosuct/EMPLOYEE/HRMS/c/COMMUNITY_ACCESS.OSR_CAT_SRCH.GBL%22
- ^{vii} <http://www.usc.edu/dept/publications/cat2006/schools/accounting/courses.html>
- ^{viii} <http://www.usc.edu/dept/publications/cat2006/schools/accounting/courses.html>
- ^{ix} <http://www.usc.edu/dept/publications/cat2006/schools/accounting/courses.html>
- ^x http://catalog.tamu.edu/pdfs/11-12_UG_Catalog.pdf p. 606
- ^{xi} http://catalog.tamu.edu/pdfs/11-12_UG_Catalog.pdf p. 606
- ^{xii} <http://www.reg.msu.edu/Courses/Request.asp?SubjectCode=ACC&CourseNumber=250>
- ^{xiii} <http://www.terry.uga.edu/courses/ACCT/7651/>
- ^{xiv} <http://www.bus.wisc.edu/undergrad/majors/accounting.asp>
- ^{xv} <http://www.foster.washington.edu/academic/departments/accounting/Pages/courses.aspx>
- ^{xvi} <http://registrar.ufl.edu/cdesc.php?crs=acg3802>
- ^{xvii} http://www.commerce.virginia.edu/academic_programs/undergrad/concentrations/accounting/Pages/AcademicProgram.aspx
- ^{xviii} http://bulletins.psu.edu/bulletins/bluebook/university_course_descriptions.cfm?letter=A&dept=ACCT
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- ^{xxiii} http://www.olemiss.edu/depts/accountancy/degree_bachelor.html
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- ^{xxviii} http://catalog.niu.edu/preview_program.php?catoid=16&poid=2605&returnto=search
- ^{xxix} <http://www.bc.edu/crs/ma/course/ma63400.shtml>
- ^{xxx} <http://catalogs.ua.edu/catalog10/502501.html#AC389>
- ^{xxxi} <http://zicklin.baruch.cuny.edu/programs/undergrad/degrees/accountancy>
- ^{xxxii} <http://spec.lib.vt.edu/archives/catalog/2011Undergraduate.pdf>
- ^{xxxiii} http://www.wm.edu/offices/registrar/documents/catalog/catalogbydept/School_of_Business.pdf
- ^{xxxiv} <https://www1.baylor.edu/courselistings/Results.aspx?TermCC=20&Term=114&College=BU&Prefix=ACC&StartCN=4350&EndCN=4350&Status=&Days=&Instructor=&IsMini=false&clear=true>

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