

New Mexico State University  
Department of Accounting and Information Systems  
Course Syllabus  
**ACCT 459 / ACCT 559**  
**Ethics in Accounting**  
**Fall 2008**

**Instructor:** Dr. Russell Calk, Ph.D., CPA  
Business Complex 322  
Office Phone: 646-3290  
Email: [rcalk@nmsu.edu](mailto:rcalk@nmsu.edu)

**Office Hours:** TuTh 9:00 – 10:00  
TuTh 2:30 – 3:30  
Other times by appointment

**Required Materials:**

*Ethical Obligations and Decision Making in Accounting: Text and Cases* (2008) Steven M. Mintz and Roselyn E. Morris, 1<sup>st</sup> Edition, McGraw-Hill Irwin.

American Institute of Certified Public Accountants *Code of Professional Conduct*. Available at:  
<http://www.aicpa.org/about/code/index.htm>

State of New Mexico Public Accountancy Board *Code of Professional Conduct*. Available at:  
<http://www.nmcpr.state.nm.us/nmac/parts/title16/16.060.0005.htm>

Texas State Board of Public Accountancy *Rules of Professional Conduct*. Available at:  
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac\\_view=4&ti=22&pt=22&ch=501](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=22&pt=22&ch=501)

**Prerequisites:** ACCT 451

**Course Description:**

An overview of ethics theory from a philosophical viewpoint, an application of those ethics theories to business in general and to accounting in particular. Includes discussion of Codes of Conduct, SEC requirements, and the Sarbanes/Oxley Act.

**Course Objectives:**

- To gain an understanding of various ethics theories and a sense of when and how each theory might be applied
- To apply ethics theories to business problems and accounting practice
- To become familiar with various sets of rules governing behavior within the accounting profession and relate those rules to ethics theory, business problems, and accounting practice

**Course Format:**

This course will be taught using a combination of lectures, group discussion, and case analysis. This format may be revised based on your feedback as the semester progresses.

**WebCT:**

Upon registering for this course, you will need to gain access to WebCT. You will be expected to visit the site regularly and use it as one of the keys tools for this course. You may access the site at <http://salsa.nmsu.edu>.

**CPA Exam and 150-hour Requirement:** New Mexico law requires applicants for the CPA Examination to have at least 150 semester hours of education. Texas and most other states also have the 150-hour rule, but the nature of these 150 hours can vary significantly from state to state. For example, in New Mexico, only 30 total hours of accounting are required to sit for the CPA exam, and 3 of these hours can be in business law. In Texas, 30 UPPER DIVISION accounting hours, *plus* an approved accounting ethics class, are required to sit for the exam. Including sophomore-level accounting courses, this totals 39 hours of Accounting. To find the requirements for a particular state, go to the web site for the state board of public accountancy for that state.

**Course Policies:**

Attendance: You are expected to attend all classes. Failure to do so may have an adverse effect on your course grade.

Wireless Communications: The use of cellular phones, pagers, etc. during class is distracting and disrespectful to the instructor and your classmates. Remember to turn off all forms of wireless communications before coming to class. If you must be contacted during class for any reason, notify the instructor in advance.

Academic Dishonesty: As aspiring accounting professionals, your personal integrity is invaluable to you and the profession that you represent. Therefore, I expect you to conduct yourself with the highest level of integrity. Academic dishonesty in any form will not be tolerated. At a minimum, anyone suspected of academic dishonesty will receive a grade of F for this course. For a definition of academic dishonesty and its consequences, see your student handbook. For the purposes of this course, academic dishonesty includes but is not limited to,

- copying another student's solution or allowing another student to copy your solution
- soliciting or offering assistance on individual assignments
- removing or copying pages or problems from exams
- using any type of dictionary during exams
- using any type of wireless communication during exams
- any other activity that jeopardizes the integrity of this course.

Students with Disabilities: If you have, or think you may have, a disability that interferes with your performance as a student, you are encouraged to discuss this on a confidential basis with me, the Disabled Student Programs Coordinator at 646-1921, and/or the Americans with Disabilities Act Coordinator at 646-7795. If you have a condition that may affect your ability to exit these premises in case of an emergency, you should contact any of the above persons immediately.

Writing: Your writing matters. The quality of your writing will affect your grades on exams and other assignments. Surveys of your future employers consistently show that they consider the lack of communication skills to be the greatest deficiency of the graduates they hire. Therefore, you should ensure that your work is always professionally done (neat, organized, labeled, etc.).

**Assignments:**

Participation: Class discussions are an important aspect of this course. You are expected to be prepared to participate in those discussions. At a minimum, you should read the assigned chapters and cases and answer, to the best of your ability, the end-of-chapter and end-of-case questions before coming to class.

Cases: Two written cases will be assigned during the course. Guidelines for the case analysis will be distributed during class. These assignments must be turned in at the designated time and place. No late case analyses will be accepted.

Presentations: Throughout the semester, groups will be appointed to present and lead the class in a discussion of the assigned cases. Guidelines for the presentations will be distributed during class.

Peer Evaluations: Much of the work for this class will be completed in groups. At the completion of each group assignment, group members will complete peer evaluations. These peer evaluations will affect your course grade.

Exams: Two exams will be given on the dates shown in the syllabus. No makeup exams will be allowed except for university-excused absences.

ACCT 559: Students enrolled in ACCT 559 will complete one additional written case analysis.

**Grading:**

Grades will be assigned consistent with the policy in the graduate catalog based on the following points.

Available Points:

|                                  | ACCT 459   | ACCT 559   |
|----------------------------------|------------|------------|
| Cases (100 points each)          | 200        | 300        |
| Presentations (100 points total) | 100        | 100        |
| Exams (100 points each)          | <u>200</u> | <u>200</u> |
|                                  | <u>500</u> | <u>600</u> |

Grading Scale:

|   | ACCT 459         | ACCT 559         |
|---|------------------|------------------|
| A | 450 – 500 points | 540 – 600 points |
| B | 400 – 449 points | 480 – 539 points |
| C | 350 – 399 points | 420 – 479 points |
| D | 300 – 349 points | 360 – 419 points |
| F | 0 – 299 points   | 0 – 359 points   |

The instructor reserves the right to lower the above grading scale.

## Schedule of Assignments:

| Date         | Assignment                          | Case                                       |
|--------------|-------------------------------------|--|
| Aug 21       | Introduction                        |  |
| 26           | AICPA Code of Professional Conduct  |  |
| 28           | TSBPA Rules of Professional Conduct |  |
| Sep 2        | NMPAB Code of Professional Conduct  |  |
| 4            | Chapter 1                           |  |
| 9            | Case 1-2                            | Giles and Regas                            |
|              | Case 1-4                            | Lone Star School District                  |
| 11           | Case 1-3                            | Jason Tybell                               |
|              | Case 1-5                            | Reneging on a Promise                      |
| 16           | Chapter 2                           |  |
| 18           | Case 2-1                            | A Faulty Budget                            |
|              | Case 2-3                            | Eating Time                                |
| 23           | Case 2-6                            | Supreme Designs, Inc.                      |
|              | Case 2-10                           | The Tax Return                             |
| 25           | Chapter 3                           |  |
| 30           | Case 3-2                            | Bubba Tech, Inc. (BTI)                     |
|              | Case 3-3                            | Hot & Cold, Inc.                           |
| Oct 2        | Case 3-4                            | Lupeville Senior Care                      |
|              | Case 3-6                            | Taking Care of Business                    |
| 7            | <b>EXAM 1</b>                       |  |
| 9            | Chapter 4                           |  |
| 14           | Case 4-1                            | Beauda Medical Center                      |
|              | Case 4-2                            | Campus Sports & Fitness Health Club        |
| 16           | Case 4-3                            | Cleveland Custom Cabinets                  |
|              | Case 4-4                            | Family Games, Inc.                         |
| 21           | Case 4-6                            | Juggyfoot                                  |
|              | Case 4-8                            | The New CEO                                |
| 23           | Chapter 5                           |  |
| 28           | Case 5-2                            | Audit Client Considerations                |
|              | Case 5-6                            | Kazweski & Dooktaviski                     |
| 30           | Case 5-3                            | Bubba and Rufus                            |
|              | Case 5-7                            | Marcus Yamabuto                            |
| Nov 4        | Case 5-8                            | Peachtree Enviro-Management Systems        |
|              | Case 5-9                            | The Audit Report                           |
| 6            | Chapter 6                           |  |
| 11           | Case 6-1                            | Busyboto Scooter Sales, Inc.               |
|              | Case 6-3                            | KnowledgeWare                              |
| 13           | Case 6-4                            | Reznor v. J. Artist Management (JAM), Inc. |
|              | Case 6-10                           | Who is Responsible?                        |
| 18           | Chapter 7                           |  |
| 20           | Case 7-1                            | Cubbies Cable                              |
|              | Case 7-2                            | Edvid, Inc.                                |
| 25           | <b>Thanksgiving</b>                 |  |
| 27           | <b>Thanksgiving</b>                 |  |
| Dec 2        | Case 7-3                            | Excello Telecommunications                 |
|              | Case 7-5                            | Florida Transportation                     |
| 4            | Case 7-6                            | Gelt and Moola                             |
|              | Case 7-9                            | Sweat Hog Construction Company             |
| <b>Dec 9</b> | <b>EXAM 2</b>                       | <b>(Tuesday, 3:30 pm – 5:30 pm)</b>        |

The instructor reserves the right to alter the above schedule.

### Other Important Dates

September 1: Labor Day Break

October 15: last day to drop with a W

November 24 – 28: Thanksgiving Break