

Class Sessions

<u>Section</u>	<u>Class</u>	<u>Days</u>	<u>Time</u>	<u>Professor</u>	<u>Room</u>
14143 R	ACCT 430	M & W	8:00 – 9:50	Cerling	ACC 310
14144 R	ACCT 430	M & W	10:00 – 11:50	Cerling	ACC 310
14145 R	ACCT 430	M & W	12:00 - 1:50	Smith	ACC 310

In addition, all class sections will meet as a combined class on selected Fridays at 12:30-1:50 pm in room HOH EDI. **The Course Schedule outlines the planned Friday sessions; students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at the Friday sessions is required of all students.**

Professor

Lee Cerling

Office: ACC 401

Email: cerling@usc.edu

Office Hours: TBD

Harris Smith

Office: ACC 232D

Email: harrissm@marshall.usc.edu

Office Hours: Mondays & Wednesdays, 2:00 pm-3:15 pm, 5:00 pm-6:15 pm
and by appointment

Prerequisites

None

Communication

Blackboard and Marshall email

Honor Code

Students are expected to adhere to, and will be bound by, the University and Leventhal School policies governing academic integrity.

Blackboard Courses

All students will have two Blackboard (Bb) courses for the Ethics class:

1. The first Bb course is for **all students**: Bb course labeled **20191_acct_430_14147**

This is a single Bb course for all students across all class sessions and all professors for all sections of ACCT 430. This is the Bb course where we will post materials and correspondence **from the professors to the students** - this is where you will find the syllabus, course schedule, assignments, reading materials, discussion and lecture materials, PowerPoint slides, and class announcements.

2. The second Bb course is specific to your individual class section:

Bb course labeled **20191_acct_430_14143** is for students enrolled in **Professor Lee Cerling's** class on M & W at 8:00

Bb course labeled **20191_acct_430_14144** is for students enrolled in **Professor Lee Cerling's** class on M & W at 10:00

Bb course labeled **20191_acct_430_14145** is for students enrolled in **Professor Harris Smith's** class on M & W at 12:00

The class-specific Bb course is where you will post materials *from the student to the professor* - this is where students will post reflective journal entries and upload assignments.

Course Description

This course provides the ethical grounding that accountants need both to identify ethical issues that they might face and to respond effectively to them. Students will be introduced both to the major theoretical ethical reasoning models and the ethical principles included in the Codes of Professional Conduct disseminated by the major accounting organizations, such as the AICPA, IMA, IIA and FEI. The course will present a range of ethics-related issues, including the causes of ethical violations and frauds, whistle blowing, and the design and operation of company compliance and ethics programs. Ethical issues are illustrated in all major areas of accounting practice, including financial accounting and reporting, management accounting, audit, taxation, accounting information systems, forensic accounting and accounting-related consulting.

Course Objectives

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

1. Identify ethical issues they might face and to respond effectively to them.
2. Explain the major theoretical ethical reasoning models.
3. Describe the ethical principles included in the Codes of Professional Conduct disseminated by the major accounting organizations, such as the AICPA, IMA, IIA and FEI.
4. Describe a range of ethics-related issues, including the motivations behind ethical violations and frauds.
5. Analyze the inspiration, risk, benefits and possible outcomes of whistle blowing.
6. Evaluate the design and operation of company compliance and ethics programs.

Course Structure

The course will be taught using two distinct structures:

- Twice a week class sessions in a small class size setting which will involve professor lectures and active discussions of cases and vignettes designed to illustrate many of the ethical issues and dilemmas that accountants face in practice. These sessions are held on Monday & Wednesday (depending on each student's enrolled section).
- In addition, all class sections will meet as a combined class on selected Fridays at 12:30-1:50 pm in room HOH EDI. **The Course Schedule outlines the planned Friday sessions; students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at the Friday sessions is required of all students.**
- See the Course Schedule for date-specific class times and locations.

Required Course Materials

1. Gordon Klein, (2016). *Ethics in Accounting - A Decision Making Approach*. Wiley.
2. Justin M. Paperny (2010). *Ethics in Motion*. Etika LLC.
This book can be purchased at a reduced price for either the printed book (\$16.00) or electronic version (\$12.00) using the following link: <http://etikallc.com/books/>.
3. Tony A. Rose (2014). *Five Eyes on the Fence*. Business Expert Press (BEP)
This book is available as an eBook and will be posted on Bb.
4. M.C. Gentile (2010). *Giving Voice to Values: How to Speak Your Mind When You Know What's Right*. Yale University Press.
5. **ACCT 430 & ACCT 530 Spring 2019 Course Reader**. Available in the USC Bookstore.
6. B. McLean and J. Nocera (2011). *All the Devils are Here: The Hidden History of the Financial Crisis*. Portfolio.
This book is available in paperback and Kindle versions from amazon.com, in addition to the hardcover version available in the USC Bookstore.
7. Other reading materials will be distributed in class and/or via Blackboard.

Course Schedule

Please see attached Course Schedule. **This schedule is tentative because we may need to change dates to accommodate guest speakers.** Detailed assignments for each class session will be distributed periodically in class and/or on Blackboard.

Grading

	Points
Reflective journal	100
Papers	200
Midterm exam	200
Final exam	300
Friday session participation	50
Discussion section participation	<u>150</u>
Total available	<u>1000</u>

Friday guest speaker sessions

Attendance and participation at the Friday sessions is mandatory. Failure to attend and participate in the Friday sessions without advance approval by the professor will result in no points being awarded for the unexcused absence. **The only way to earn Friday Session Participation points is to log in to Blackboard, input the unique attendance number, input the speaker's last name, and provide a brief description of what the guest speaker discussed by Sunday at 11:59 pm.** Failure to provide the required information in Blackboard in a timely manner will result in zero participation points even if you attended the session.

Reflective Journals

Every student is required to keep a Reflective Journal about topics covered in the course. Please take 10 minutes to think about the topic before writing anything, and then write whatever reflections come to mind.

We are looking for only 100-150 words per week. **It is required that you write a minimum of 100 words per week for each journal. Journal entries with less than 100 words will receive zero credit.** We want to encourage *personal reflections* on the topics and issues presented in the course, *not just mere memorization and recitation of course content.*

We will use Bb as the tool for maintaining the Reflective Journals. The Journal is a self-reflective tool for students and only the student and the student's professor can add comments and read the comments.

Each week's Journal must be completed no earlier than Friday at 2:00 pm and no later than Sunday at 11:59 pm. During the window, you can make a single entry or multiple entries until the time window for that week has closed. **Late submissions (after Sunday at 11:59 pm) will receive no credit.** Journals are a "homework" assignment and should not be written during class time.

Papers

Details regarding the paper assignments will be distributed approximately 2 weeks before the due date of the paper. The paper assignments are an individual effort and assignment.

Midterm and Final Exams

Both the midterm and the final exam are open book/open notes examinations. Each student will need a laptop computer for the midterm and the final exam.

The **midterm** exam will be held on **Wednesday, February 27, 2019** during the regularly scheduled class time.

The **final** exam will be held on **Monday, May 6, 2019 from 8:00 am to 10:00 am** for all ACCT 430 sections.

The midterm and final exams must be completed on the scheduled dates (there will not be a make-up exam) and cannot be taken early, except when the exam time conflicts with a student's observance of a holy day. If you have a conflict for either exam date, please discuss with your professor immediately; **any exam date conflicts must be discussed with your professor by January 28, 2019.**

Discussion Section Participation

Ethics is not a technical, quantitative subject like most accounting courses. There is often not one obviously best solution to an ethical dilemma. Learning ethics requires the development of problem finding and critical thinking skills. Developing these skills is best accomplished through active learning -- student discussions of dilemmas of the type that will be faced in the real world.

We assign a material proportion of the grade in this course based on the extent to which students participate actively in the smaller discussion sections and the quality of their contributions to the in-class discussion. We do this both to improve our grading accuracy and to encourage the building of a healthy "learning community." We think we can learn more about effort and quality of thinking by hearing students share their ideas in a long series of classes than can be done by reading written answers to a few exam questions. Further, active class participation encourages students to be well prepared and thus to become active, rather than passive, learners. Participation provides students with the opportunity to gain from the experiences and talents of everyone in the class. Class participation also helps students improve their oral communication skills, which are vitally important in the working world.

Participation will be evaluated in each small-class session based on a near-continuous scale, the end points of which can be described as follows:

Outstanding Contributor: This person's contributions reflect exceptional preparation, and the ideas offered are always substantive and provide major insights and direction for the class. If this person were not a member of the class, the quality of the discussions would be diminished significantly.

Unsatisfactory Contributor: This person may be absent from class or someone who rarely participates in class discussion. Alternatively, this person's contribution in class reflects inadequate preparation and/or understanding. Ideas offered are not substantive and provide few, if any, insights and never a constructive direction for the class. Integrative comments and effective arguments are absent. Class comments are either obvious, isolated from the main discussion, or confusing to the class.

Discussion section participation is required to earn Discussion Section Participation points during the semester. Unsatisfactory contributors will earn minimal to no points even if they regularly attend class sections.

Grading Policy

Final grades represent how you perform in the class relative to other students. Historically, the average grade for this class is approximately (B+) 3.3. Three items are considered when assigning final grades: (1) Your average weighted score as a percentage of the available points for all assignments (the points you receive divided by the number of points possible); (2) The overall average percentage score within the class; (3) Your ranking among all students in the class.

Retention of Papers

According to the Guidelines on Documents Retention, University policy requires that “final exams and all other grade work which affected the course grade” be kept for one year. Other papers or work that instructors hand back but that students fail to pick up will be held for one month.

Technology Policy

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated by the respective professor and/or staff. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, iPads, other texting devices, laptops, I-pods) must be completely turned off during class time, except as stated by the professor. Upon request, you must comply and put your device on the table in off mode and FACE DOWN. You might also be asked to deposit your devices in a designated area in the classroom. Videotaping faculty lectures is not permitted due to copyright infringement regulations. Audiotaping may be permitted if approved by the professor in advance. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

Undergraduate Accounting Program Student Learning Objectives

The five Student Learning Objectives developed for this program by the USC Leventhal faculty and administration and filed with the AACSB, the accrediting body for accounting and business schools, are shown below.

This course will deal primarily with Learning Objective 3, *Ethical Decision Making* (course emphasis: High). To a lesser extent, this course will also touch on three of the other Learning Objectives: Objective 1, *Technical Knowledge* (course emphasis: Low), Objective 4, *Communication* (course emphasis: Moderate), and Objective 2, *Research, Analysis and Critical Thinking* (course emphasis: Moderate).

Undergraduate Accounting Program Learning Objectives

1. Technical Knowledge

Students will demonstrate technical proficiency in the accounting discipline, including the use of technical accounting knowledge to help solve problems and make decisions.

2. Research, Analysis and Critical Thinking

Students will demonstrate the ability to critically analyze, synthesize, and evaluate information for decision making in the local, regional and global business environment.

3. Ethical Decision Making

Students will demonstrate an understanding of ethics, ethical behavior and ethical decision making.

4. Communication

Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner.

5. Leadership, Collaboration and Professionalism

Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.

Academic Conduct

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

Plagiarism

Presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11 Behavior Violating University Standards <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Class Notes Policy

Notes or recordings made by students on a university class or lecture may only be made for purposes of individual or group study, or for other non-commercial purposes that reasonably arise from the student's membership in the class or attendance at the university. This restriction also applies to any information distributed, disseminated or in any way displayed for use in relationship to the class, whether obtained in class, via email or otherwise on the Internet, or via any other medium. Actions in violation of this policy constitute a violation of the Student Conduct Code, and may subject an individual or entity to university discipline and/or legal proceedings. **This violation includes uploading any course materials to a public or private file sharing website.**

No student may record any lecture, class discussion or meeting with the professor without the professor's prior express written permission. The word "record" or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding. The professor reserves all rights, including copyright, to lectures, course syllabi and related materials, including summaries, PowerPoint slides, prior exams, answer keys, and all supplementary course materials available to the students enrolled in class whether or not posted on Blackboard or otherwise. **They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites.** Exceptions are made for students who have made prior arrangements with DSP and with the professor.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. <https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student. Examples: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students.

Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to your professor as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

Emergency Preparedness / Course Continuation

If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* <http://emergency.usc.edu/> will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technologies.

Important Dates for the Spring 2019 Semester

Jan 7	First day of classes
Jan 21	USC Holiday – Martin Luther King, Jr. birthday
Jan 25	Last day to register and add classes Last day to drop a class without a mark of “W” and receive a refund Last day to purchase or waive tuition refund insurance
Feb 18	USC Holiday – Presidents’ Day
Feb 22	Last day to drop a class without a mark of “W”
March 10 – 17	Spring Break
Apr 5	Last day to drop a class with a mark of “W”
Apr 26	Last day of classes
Apr 27 – 30	Study days
May 1 – 8	Final examinations [the final exam for this class will be held on Monday, May 6, 2019 at 8:00 am-10:00 am for all sections]
May 10	Commencement

Emergency Information

Emergency Information Line	213-740-9233
USC Emergencies	213-740-4321
Information	tune into KUSC Radio at 91.5 (FM)
USC Info Line	213-740-2311
USC Public Safety - Non Emergencies	213-740-6000

Tentative Course Schedule

This schedule is tentative because we may need to change dates to accommodate guest speakers.

Detailed assignments for each class session will be distributed periodically in class and/or on Blackboard.

Fridays sessions will be held at 12:30-1:50 pm in room HOH EDI. Students should reserve the 12:30-1:50 time on all Fridays in the semester to be available for schedule changes that could be required by our guest speakers. Attendance at the Friday sessions is mandatory. Failure to attend the Friday sessions without advance approval by the professor will result in no points being awarded for the unexcused absence.

Day	Date	Class #	Topic
Mon	Jan 7	1	Ethics in a Profession, Like Accounting; Accountants' Professional Standards I
Wed	Jan 9	2	Accountants' Professional Standards II
Fri	Jan 11	3	Personal Capital and Ethical Values
Mon	Jan 14	4	Accountants' Professional Standards III
Wed	Jan 16	5	Accountants' Professional Standards IV
Fri	Jan 18		
Mon	Jan 21		***NO CLASS DUE TO HOLIDAY***
Wed	Jan 23	6	Accountants' Professional Standards V
Fri	Jan 25		
Mon	Jan 28	7	Divergent Ethical Systems; People Think Differently About Ethics
Wed	Jan 30	8	Normative Ethical Reasoning Models and Decision Making Processes
Fri	Feb 1	9	Revenue for the Company ... Cash for the Cayman Islands
** PAPER 1 IS DUE BY 12 pm **			
Mon	Feb 4		
Wed	Feb 6	10	Why Do People Do Bad Things I?
Fri	Feb 8	11	Why Do People Do Bad Things II?
Mon	Feb 11	12	Why Do People Do Bad Things III?

Day	Date	Class #	Topic
Wed	Feb 13	13	Cognitive Biases and Ethical Judgements; System 1 & 2 Thinking
Fri	Feb 15	14	Ethics in Practice Part I
Mon	Feb 18	***NO CLASS DUE TO HOLIDAY***	
Wed	Feb 20	15	They had a world class ethics program, but... Part I
Fri	Feb 22	16	They had a world class ethics program, but... Part II
Mon	Feb 25		
Wed	Feb 27	17	** MID TERM EXAM **
Fri	Mar 1	18	Why Do People Do Bad Things IV?
Mon	Mar 4		
Wed	Mar 6	** PAPER 2 IS DUE BY 5:00 PM ** (ACCT 430 ONLY)	
Fri	Mar 8		
Mon	Mar 11		
Wed	Mar 13	** Spring Break **	
Fri	Mar 15		
Mon	Mar 18	19	What to do when you know what's right - Giving Voice to Values I
Wed	Mar 20	20	Giving Voice to Values II
Fri	Mar 22	21	Ethics in the Workplace
Mon	Mar 25		

ACCT 430 | Accounting Ethics
ACCT 530 | Ethics for Professional Accountants
Spring 2019 Course Schedule

UPDATED as of December 31, 2018
***** SUBJECT TO CHANGE *****

Day	Date	Class #	Topic
Wed	Mar 27	22	Giving Voice to Values III
Fri	Mar 29	23	Ethics in Practice Part II
Mon	Apr 1		
Wed	Apr 3	24	Giving Voice to Values IV
Fri	Apr 5	25	Ethics in Practice Part III
Mon	Apr 8		
Wed	Apr 10	26	Whistleblowing Part I
Fri	Apr 12	27	Whistleblowing Part II
Mon	Apr 15		
Wed	Apr 17	28	Giving Voice to Values V
Fri	Apr 19	29	Ethics in Application
Mon	Apr 22		
Wed	Apr 24	30	Anticipating the Future & Course Review
Fri	Apr 26		
Sat	May 4	31	ACCT 530: 9:00 am to 11:00 am ** FINAL EXAM **
Mon	May 6	31	ACCT 430: 8:00 am to 10:00 am ** FINAL EXAM **