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ACCOUNTING EXAM IRREGULARITIES IN AN MBA PROGRAM

David Hannah, Sarah Lord Ferguson, and Michael Parent wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In late September 2014, Elle Zhou exhaled in relief as she walked out of the classroom where she had just completed a managerial accounting exam. Zhou was a new student in the Arnold School of Business (Arnold) full-time MBA program. The exam was case-based; students were provided with a printed case study and asked to answer a set of questions. What Zhou did not realize was that in a few minutes, she would not be concerned about her own performance. Instead, in her role as vice-president academic of the Graduate Business Student Association (GBSA), she would be worrying about how to deal with an unusual set of allegations.

Arnold School of Business

Arnold was part of Horizon University (HU). Founded in 1940, HU was one of the top universities in Canada, with over 30,000 students and 130,000 alumni. Arnold was a vital part of the university, with over 3,800 undergraduate students based at two campuses in a major Canadian city. Approximately 250 graduate students were enrolled in graduate business programs, with 50 of them in the full-time MBA program.

The full-time MBA program consisted of 12 months of classes followed by a four-month internship. A feature of the program was its cohort model, which allowed all students to take their classes together. This model usually led to many students developing close, life-long friendships with their fellow classmates—in some cases, leading to marriage.

Full-time MBA students were typically in the early stages of their careers, with an average age of 29 and eight years of work experience. The class, which was evenly split between male and female, consisted of 40 per cent international students who were mainly from China and India, but many other countries were also represented, including Iran, Brazil, Pakistan, Colombia, Lebanon, Peru, and the Netherlands.

After joining the MBA program, Zhou decided that she wanted to become involved in student governance, so she ran for, and was elected to, the position of GBSA vice-president of academics. Her goal was to gain experience, but she also hoped to create the best possible learning environment for her fellow students.

The Graduate Business Student Association (GBSA), which included student representatives from all graduate business programs at Arnold, acted as an advocate for students across all programs and worked to ensure that each program was represented on the committee. Therefore, Zhou could find herself helping out students from any of Arnold’s graduate programs, not just the one in which she was enrolled. Students could approach her to resolve issues with professors if other avenues of resolution had been exhausted, or if they were unsure what to do in a particular situation.

Many students on the GBSA committee were also in Zhou’s managerial accounting class, which was taught by John Hyannis. Hyannis had extensive practical experience in accounting, including a long stint as a partner with a large international consulting firm, and he had some experience teaching courses to trainee accountants. However, Hyannis was teaching at the MBA level for the first time.

Arnold’s culture of teaching and research prized academic freedom, which meant that new instructors were provided with a great deal of flexibility in setting up their courses. Hyannis had chosen a case-based approach for his class because it provided a means for students to experience the challenges of understanding accounting information in the real world. The case-based teaching approach was not uncommon among MBA instructors. The first few courses of the program, including managerial accounting, helped to train students in case analysis. Despite having never taught at this level or with case studies, Hyannis’s personality, intelligence, experience, and connections made him an engaging and credible instructor, and the students enjoyed his course.

The Mid-Term Exam

With mid-term exams coming up, students were feeling the full effects of nerves. A common aspect of the managerial accounting course was that students who struggled with quantitative topics often found the material challenging, and they worried about their chances of passing the exam. The stronger students, on the other hand, were less concerned about passing and more focused on scoring well relative to their fellow classmates. Arnold programs were graded on a curve, which meant that the students’ standing relative to their peers determined what letter grade they received. Instructors in the Arnold graduate programs were told to give approximately half the class A grades (i.e., A+, A, or A-) and the remainder of the class B, C, or F grades. At most, instructors could give 55 per cent of the class A grades, which determined the relative grades the rest received.

Knowing that this was the first formal exam of the MBA program, Hyannis was well aware of the students’ nerves and took several steps to ease them. Leading up to the exam, the students were given practice tests. Also, because the students needed their laptops to use Microsoft Excel during the exam, the exam itself was open-book. The students were told that they would have access to the Internet during the examination. As Hyannis explained, in their jobs, they would be able to use any available resources to make good decisions, and he wanted to replicate that scenario.

As she walked away from the examination room, Zhou reflected that she had found the exam challenging, but she was confident that she had performed well. Although the case used in the exam was different from many of the cases they had used in class, she felt that it fairly tested their knowledge of the course material. As she handed in her paper and left the room, she saw some students approaching the instructor. She assumed that they were sharing concerns about the exam.

Later that day, Zhou was reading in a study room downstairs in the building when one of her classmates knocked on the door. The classmate revealed to Zhou that she had overheard conversations in the bathroom after the exam, and heard some students claiming that they had found the answers for the exam online. Evidently, the solutions to the case that Hyannis had chosen were available on the Internet. Each answer was available simply by typing the exam question with the case name into any search engine. Zhou’s classmate assumed that the other students in the bathroom had used the Internet solutions to write their exam papers. She approached Zhou because she was worried this might significantly impact the class’s curve system for grading. If some students gained an advantage by finding the answers on the Internet, it could raise their grades and bump down those students who did not have correct answers, or the Internet solutions.

Shortly after speaking with her classmate, Zhou’s phone and email began chiming with incoming messages from upset students. However, the information from the students soon became clouded with different students reporting different details about the issue. Some students insisted that any cheating students should be found and disciplined. Others felt the exam should simply be discarded or invalidated. Still others felt that the rumour was a hoax started by a disgruntled student who had failed the exam. This last group of students opposed discarding the exam, feeling that anyone who had done well in the exam would be punished by unsubstantiated rumours.

First Steps

The first thing Zhou did was to go online and confirm that answers to the case could be found, and that the answers were correct. She entered the case’s name and the words “case analysis” in a search engine. The first result that came on the screen was a document that appeared to contain the answers to a case. After reading the online answers, she thought they seemed correct, although she was not positive.

Zhou’s next step was to contact the GBSA president, Ian Jensen. Jensen was in an interesting position. Although he had been elected president by the student body, he was not currently taking part in fall semester courses—including managerial accounting—because he had already taken these courses online. Regardless, he had been receiving messages from the MBA students asking him, as GBSA president, to become involved in resolving the problem with the exam. After also receiving a text request from Zhou to discuss the situation and advise her, Jensen decided to meet with Zhou as soon as possible. The two GBSA officials met for coffee the next day.

They soon discovered that they had different perspectives on what appeared to have happened, and on what should be done about it. For her part, Zhou believed that some students had accessed the case information on the Internet during the exam. However, she did not see anything wrong with that. Although it was unfortunate that some students had looked at the online answers, she thought that they were simply being resourceful. It had occurred to them—although not to her—to look for the answers. She did not blame the students; she felt the instructor should have ensured that the answers were not available online, especially for an exam that allowed students to access the Internet. If the instructor knew that the answers were available online, he should not have allowed computers during the exam, or he could have prepared a new exam from scratch for which the answers would not be available online.

Jensen was not so sure that people had accessed the exam answers online. He felt that it was plausible that some students were trying to improve their mark by causing an exam, on which they had performed poorly, to be discarded or to be weighted lower. If successful in having the exam discarded, those students would be happy and all others would be punished, despite having done nothing wrong. Jensen also felt that if students *had* accessed the exam answers online, they were not being clever or entrepreneurial; rather, they were cheating and should be treated accordingly. Jensen believed that the university should do everything in its power to prevent cheating and punish cheaters. Ideally, no students had cheated; if any students had, appropriate actions should be taken to punish them.

Seeking some clarification on the matter, Jensen and Zhou looked back at the managerial accounting course outline, which included an excerpt from the HU’s academic dishonesty policies (see Exhibit 1). Among other things, the policies specified a number of activities that were representative of academic dishonesty, including plagiarism, defined as “presenting the work of another person as your own.” The policy also stated that “unauthorized use of computers, cellphones, calculators, and other forms of technology while completing any course work, including during examinations” was academically dishonest.

Unfortunately, reading the policies did not provide Jensen and Zhou with much clarification. Considering that the exam was open-book, it was hard to determine if accessing online resources during the exam was actually committing academic dishonesty as defined in the school’s policy statement. Further, the two GBSA officials realized that they did not actually have any proof that students had been presenting the work of others as their own. All they knew was that a number of students were complaining, and no matter what response the GBSA officials chose, someone would be unhappy with their decision.

Next Steps

As Jensen and Zhou sat at the coffee shop, they considered their next steps and came up with four potential courses of action:

1. Do nothing. After all, they had no evidence that anything untoward had actually happened. All they had was contradictory rumours.
2. Take the issue to the GBSA for discussion. If a recommendation could be made as a committee to the faculty, the recommendation might carry more weight and possibly prevent classmates from being angry with them personally.
3. Talk directly to Hyannis, the course instructor, about possible actions, including invalidating the exam, arranging a rewrite, or changing the weighting of the mid-term exam on the overall final grade. Although this option could be the quietest way to resolve the issue, they were unsure how effectively Hyannis, as a new instructor, would react to the situation.
4. Contact the academic chair of the program, Nicholas Ramsay, and let him decide the correct course of action. After all, he was the person responsible for dealing with academic dishonesty. However, the issue could become a major and messy inquiry that could potentially cause divisions among the cohort.

After brainstorming these options, Jensen and Zhou decided to take the evening to think about how to proceed before making their final decision the next morning.

EXHIBIT 1: ARNOLD School of Business STATEMENT ON ACADEMIC HONESTY

Plagiarism involves the unacknowledged use of other people’s ideas or work as well as presenting the work of another person as your own. Whether intentional or unintentional, plagiarism is considered a serious academic offence. Academic dishonesty violates our University’s shared commitment to intellectual honesty and the original contributions of every member of our academic community, including (but not limited to) students, instructors, and researchers. Students at this institution are responsible for ensuring that they have correctly acknowledged and cited all the resources that are used in their academic works.

The list below includes examples of academic dishonesty:

* Plagiarism
* Self-plagiarism (i.e., submitting the same work more than once without prior approval)
* All forms of cheating
* Impersonation (e.g., having someone else write an exam or paper or assignment)
* Submitting any falsified document (e.g., forged medical notes, transcripts, etc.)
* Stealing, copying, or destroying the work of another student
* Unauthorized use of computers, cellphones, calculators, and other forms of technology while completing any course work, including during examinations
* Any activity not specifically outlined in this document that is in violation of the standards of academic honesty outlined above.

Students are expected to complete all academic work in their own words. Whenever an idea or writing is taken from another author, it must be acknowledged with a proper citation indicating the source.

Ignorance of these standards will not preclude the imposition of penalties for academic dishonesty.