



Ethical dilemma

EBC2056: International Financial Accounting

Students test the boundaries of ethical financial reporting, facing two scenarios in which specific reporting choices can serve personal purposes of a manager, rather than that of society. Students will need to apply the accounting knowledge gained during the course and evaluate which reporting choice best reflects reality. No right or wrong outcome exists, but the reporting choices made by the students will need to be justified using economic arguments. This triggers a discussion on ethical reporting and accounting rules.

Activity type

PBL group discussion during tutorials.

Activity duration/study load

The assignment is part of a 2-hour tutorial session and needs to be prepared. It centralizes the content of most of the prior tutorials and helps students evaluate whether they effectively understand the learning materials of the course.

Intended learning outcomes

Students need to understand that accounting quality is not black or white. Different reporting choices may paint a different picture of the same economic reality, but that does not mean that one choice is automatically better or worse than the other. Accounting is about judgment, and this judgment may be correctly used or abused. Given that investors, suppliers, customers, employees and governments all rely on accounting numbers, the choices have far-reaching consequences, and ethics are an integral part of the accounting process.

GCEd elements

Moral/ethical reasoning, personal responsibility, integrity, fairness.

Teacher preparation

The teacher prepares a scenario whereby different reporting choices lead to different answers, that should not be inherently right or wrong, but rather trigger different ethical considerations. As an infinite number of solutions exist and the truth likely is in the middle, teachers should at the end of the assignment show the most extreme options and discuss with the students why these may be wrong.

Student preparation

None.

Flow

Students are given the scenario/assignment prior to the tutorial group meeting, as it centralizes the learning materials of the full course. On the basis of their preparation, the group of students should work towards a common answer. The role of the tutor is to stimulate discussion and challenge assumptions and the choices students make. Students will need to be able to validate every reporting decision, and why they feel it best represents the underlying reality of the firm. Students can contribute anything that can help the group reach a conclusion.

Assessment

There is no formal assessment of the discussion and assignment, other than via the participation grade. Given that no single correct solution exists and the end result is a tutorial group outcome, it is difficult to tie an individual grading component to the assignment.