

5-2019

A Study of The Effectiveness of Ethics Instruction to Accounting Students at East Tennessee State University

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A Study of The Effectiveness of Ethics Instruction to Accounting Students at East Tennessee State University

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UNDERGRADUATE HONORS THESIS | 2019

A Study of the Effectiveness of Ethics Instruction to Accounting Students at East
Tennessee State University

By Elizabeth Brackins

Undergraduate Thesis Submitted in Partial Fulfillment of the Requirements for the

Honors College

University Honors Scholar Program

East Tennessee State University

Dr. Michelle Freeman, Faculty Mentor

Dr. Lana Becker, Faculty Reader

Elizabeth Brackins, Author

This work is dedicated to:

My parents,

For loving me and supporting me in my dreams.

Dr. Michelle Freeman,

For her assistance in and passion for this project.

Dr. Lana Becker,

For her suggestions and guidance as my reader.

The ETSU Honors College,

For pushing me outside of my boundaries and fostering an environment of learning and growth.

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Executive Summary

Strong ethics are critical to the success of each member of the business world, especially accountants. Because the work of accountants is utilized by both internal and external users and can have such widespread effect on the business community, it is imperative that this work is performed with the utmost accuracy, integrity and morality. The foundation for strong ethics begins before the accountant enters the workforce, and many colleges require dedicated ethics courses for accounting majors. The purpose of this project is to analyze the effectiveness of the ethics instruction, specifically in the absence of a required dedicated ethics course, at East Tennessee State University (ETSU). Two surveys will be administered to a sample of ETSU students in several classes within the undergraduate and graduate accounting programs and the results will be analyzed to determine if students' understanding of ethics has increased over the semester. The results of this thesis are intended to provide the ETSU College of Business and Technology with vital information about how to improve the ethics instruction for undergraduate accounting students.

Chapter One: Literature Review

Ethics Standards and Their Importance to the Accounting Profession

One of the most basic definitions of ethics is doing the right thing out of moral duty and obligation (Oxford, n.d.). Ethical decisions must be made every day, by every person. In the business world, poor ethical decisions can have lasting, reaching impact. Because accountants have a responsibility to the general public, creditors and investors, and their company, it is important for accountants to always make sound ethical decisions to provide the most reliable, accurate information to all parties.

Accountants are generally held in high regards by both members of the business world and by the general public. In his work, “Why Are Accounting Ethics Important?”, Jeffrey Glen (2018) explains how scandals such as Enron and WorldCom brought accountants’ ethics under public scrutiny in the early 2000s. These scandals shook the public’s confidence and trust in the accounting profession and created much skepticism of many accounting practices. According to Glen (2018), in order to rebuild and maintain society’s trust in the accounting profession, it is imperative that accountants hold themselves to the highest ethical standards.

Mehran Kaveh’s (2014) journal article “Professional Ethics in Accounting and Auditing” echoes similar sentiments as he addresses the role of accountants and the importance of ethics to this role. Kaveh (2014) states that the primary job of an accountant and auditor is to provide reliable information. This job is significant because, without strong ethical practices, such information will not be accurate and will, therefore, not allow creditors and investors to make sound business decisions. Ethics in accounting and auditing are especially critical because

people, both internal and external to the business, rely on information provided by the accountants.

Research Concerning Undergraduate Accounting Ethics Instruction

Strong ethics are imperative in the accounting world; however, the question is how do we best teach our future accountants about ethics? The effectiveness of ethics courses is highly debated, and there is currently no clear consensus on whether a dedicated ethics class is more beneficial to students than learning about ethical issues as they are encountered in standard course content. Ethics instruction varies from college to college but is generally approached through either the integration method or a dedicated ethics class. The integration approach is operationally defined as the approach to ethics instruction in which students learn about specific ethical dilemmas as they are encountered throughout the standard accounting curriculum (Ahmad, 2015).

Many researchers and educational instructors have recently voiced the opinion that students might benefit from a dedicated ethics class. In his article, “Evaluation of Ethics Education for Accounting Students”, Sudhir Chawla cites a 2003 survey conducted by The Association to Advance Collegiate Schools of Business which found that 90% of schools teach ethics through the integration approach (Chawla, 2015). However, though many schools utilize this method, Chawla believes that the integration method is not as effective as other methods of ethics instruction, such as a dedicated ethics class. Chawla claims that as accounting curriculum becomes more technical, there becomes less emphasis on teaching strong ethics. In a less technical environment, such as a dedicated ethics class, professors can foster a deeper, more meaningful discussion of ethical practices that may be more impactful on students.

Kristine Brands (2016) reached similar conclusions based on her study “Teaching Accounting Ethics: Opportunities and Challenges” (Brands, 2016). Brands studied the integration method as it was utilized in ethics lessons in accounting classes at Regis University in 2016. Brands cited sources, including Stephen Dellaportas’ “Making a Difference with a Discrete Accounting Ethics Course” and Klimek’s “Ethics in Accounting: An Indispensable Course” which claim that integration is not as effective at teaching undergraduate accounting students as a dedicated ethics class. Brands (2016) stated that a possible challenge to ethics integration is that some faculty members may not have the experience or knowledge that would be necessary to teach accounting ethics, which could lead to failures in the integration method.

In 2015, Noor Lela Ahmad conducted a study titled “Integrating Ethics into Accounting Curriculum: Overview from Malaysian Accounting Educators” (Ahmad, 2015). Ahmad studied the efficiency of integrating ethics into classroom curriculum through direct observation of students and in-depth interviews. Based on her research, Ahmad (2015) concluded that while many professors that participated in the study truly believed that ethics integration was effective, there are significant obstacles to this method of ethics instruction.

Nicholas Mastracchio formed opposite conclusions in response to a 2005 survey conducted by the American Accounting Association which revealed that 46% of undergraduate colleges teach a course dedicated to accounting ethics; according to Mastracchio, these colleges that utilize a dedicated ethics course were not as effective at teaching ethics to their accounting students as those using the integration method (Mastracchio, 2005). Mastracchio concluded that by teaching a dedicated ethics class, instructors did not place as much emphasis on integrating ethics lessons into general accounting curriculum, which led to poor ethical foundations for the accounting students.

A study conducted by Gene Sullivan titled “Enhancing Public Trust in the Accounting Profession Using Professional Judgement Rather Than Personal Judgment in Resolving Accounting Ethics Dilemmas” looked at the effect of ethics instruction on Liberty University students’ ability to apply ethics standards to professional situations (Sullivan, 2014). Sullivan surveyed junior and senior level accounting students before and after a four-hour presentation on the AICPA Code of Conduct to determine if there was an impact on how these students responded to ethical dilemmas. Based on the results from a Wilcoxon T-test, Sullivan concluded that there was a statistically significant difference in the subjects’ responses after the presentation. Sullivan’s conclusion allows for the inference that the integration method of ethics instruction is effective at increasing the students’ ethical understanding.

Finally, Jordan Warhurst performed a study titled “A Study of Ethics for Accounting Students at East Tennessee State University” in 2015 (Warhurst, 2015). The purpose of his study was to examine the relationship between students’ responses to an ethical dilemma and the AICPA Code of Professional Conduct. Warhurst’s methods included analysis of survey responses given to students in a “Professionalism in Accounting” class at ETSU at both the beginning and the end of the semester. The survey included two parts: a section of multiple-choice questions regarding the AICPA Code of Conduct and a section which prompted the student to respond to an ethical dilemma that could occur in the workplace. The purpose of this structure was to allow statistical analysis of how the changes in the student’s individual understanding of the AICPA Code of Conduct might manifest itself in the student’s workplace ethics. After analyzing the data using t-tests, Warhurst concluded that there is a statistically significant difference in the students’ grasp of the AICPA Code of Conduct between the beginning and the end of the semester. Warhurst also concluded that as the students’ scores in

the first section increased, the more likely the student was to respond according to the AICPA Code of Conduct in the second portion of the survey; as students gained increased exposure to the AICPA Code of Conduct, the students were better prepared to respond appropriately to the ethical dilemma. Warhurst's conclusion supports the claim that the integration method of ethics instructions is effective in teaching students about ethics.

Goals and Objectives

If students are effectively taught about ethics throughout their undergraduate education, could this improve their successfulness in the business world? Would a better education not only affect these future accountants, but also their future employers, and potentially even their business community? One would hope the answer is yes to both of these questions. Accountants are the backbone to business success, and it is imperative that future accountants are best prepared for this responsibility. In order to most effectively teach our future accountants about their ethical responsibilities, different ethics instruction methods should be explored.

The purpose of the current research is to critically evaluate the use of the integration method of ethics instruction as it is presently utilized at ETSU. The study aims to determine whether the integration method is effective at enhancing undergraduate accounting students' knowledge and application of ethics. The information provided in this study is intended for use by the ETSU College of Business and Technology, specifically the Accounting Department. The results of the study could also be useful to other colleges that are currently utilizing the integration method.

Contribution to the Literature

The current research holds merit in that it will allow closer, deeper analysis of the integration method as it is currently being utilized at ETSU. Rather than attempting to draw sweeping conclusions about the integration method comprehensively, the researcher believes there is value in critically evaluating the integration instruction method at the university level first. Following this reasoning, the current research is similar to Gene Sullivan's study "Enhancing Public Trust in the Accounting Profession Using Professional Judgement Rather Than Personal Judgment in Resolving Accounting Ethics Dilemmas" and Jordan Warhurst's study "A Study of Ethics for Accounting Students at East Tennessee State University," which were conducted at the university level, but will hopefully correct some issues in their respective research designs. An objective of the current research is to modify the research design of each of the two previously conducted studies to test the robustness of their results.

Sullivan's study tested junior and senior level accounting students' ethics knowledge before and after a four-hour presentation over the AICPA Code of Conduct. The researcher believes that this research design ultimately tested whether the students could simply repeat what they had just heard in the lecture and did not examine whether the students retained any of this knowledge in the long term. The current research addresses this problem by testing the sample of students at the beginning and the end of a semester; this should correct the retention issue associated with Sullivan's study as it better reflects what the students understand and retain on a long-term basis—which is most likely what will impact them in their careers in the business world.

Warhurst's study was not ideally designed as he only tested one classroom of students. This small sample size limits the widespread application of his results. There were many

variables that could have affected the one classroom that he surveyed, including the effectiveness of instruction, the motivation and ability of the participants, and other variables. By surveying several classes on multiple levels in the accounting program at ETSU, the current research will be more likely to capture a better understanding of the effectiveness of the ethics instruction. Because the methods of Warhurst’s study are similar to the methods of this project, the current research could also have further benefit as it will either validate or challenge the previous results. If Warhurst’s study and the current study draw similar conclusions, this could improve the confidence in the results. If Warhurst’s study and the current study draw opposite conclusions, this could urge ETSU to conduct further research in regard to the effectiveness of ethics instruction in the accounting program.

By addressing the issues discussed, the current research will hopefully expand on the previous results and test the robustness of previous conclusions. It is possible that the deviations from the original study will challenge the original results and will require further research to determine the validity of each study. Regardless of the outcome, the current research is important as it will hopefully spark a conversation about the current ethics instruction at ETSU—which the researcher believes is a conversation that should occur.

Chapter Two: Methodology and Analysis

Methodology

This chapter will detail the course breakdown of the participants as well as provide summary and analysis of participants' responses to the survey questions. Survey One and Survey Two will be analyzed independently and then will be compared to draw conclusions regarding the potential progression of the students' ethics understanding.

Course Breakdown

There was a total of 64 respondents, who were properly consented and who responded to both surveys, which met the criteria to be considered "participants". The following chart presents the course breakdown of these participants:

Class	# of participants	% of total participants
ACCT 3020	22	34.4
ACCT 4610	25	39.0
ACCT 5610	17	26.6
Total	64	100

These courses (ACCT 3020, ACCT 4610, and ACCT 5610) were chosen because they are, in the researcher's opinion, largely representative of the population of ACCT students at ETSU. The three classes represent both undergraduate and graduate students.

Test Characteristics

This study included the administration of two surveys in which participants were asked about their experiences with and exposure to accounting ethics standards during their education at ETSU. The first survey, Survey One, was administered to participants at the beginning of the Fall 2018 semester. The second survey, Survey Two, was administered to participants at the end of the same semester. Copies of the surveys can be found in the appendix of this work. It is important to note that, although Survey One and Survey Two had pre-class and post-class questions respectively, both surveys prompted the participant to respond to the same ethical dilemma; this overlap allows the researcher to analyze if, and how, the participant's answer might change due to ethics exposure over the course of the study duration.

Copies of the surveys and informed consent document were approved by the ETSU Internal Review Board before the data collection process began.

Data Collection Procedures

At the beginning of the Fall 2018 semester, Survey One was administered to each class during the respective normal meeting time for the courses selected. Every student present during the administration was provided a survey and offered the opportunity to participate. Students were informed that the study was voluntary and did not affect their grade. Students were asked to sign the consent form and mark their papers with their initials and class number for matching purposes. Participants were allowed between ten and fifteen minutes to complete the survey. Participants were instructed to submit their responses to the researcher when they were completed. The same process was followed during the administration of Survey Two at the end of the Fall 2018 semester.

After the administration of Survey One, the researcher sorted the survey responses by class, then by initials in alphabetical order. After the administration of Survey Two, the researcher matched the class and initials to the responses from Survey One. Each participant then received a number that would be used to identify them for the remainder of the study to preserve confidentiality.

A participant’s data could be thrown out for the following reasons: failure to complete both surveys, failure to provide proper consent during one or both of the surveys, or failure to properly mark their survey so that it could be matched to the corresponding half of that participant’s data. The study suffered a significant loss of viable data due to a combination of these failures.

Analysis of Survey One

Survey One included five questions. This section will provide an individual analysis of each question included on Survey One. A copy of Survey One can be found in the appendix.

Survey One Question One

The first question asked participants if this was their first accounting class at ETSU.

The response breakdown for Survey One, Question One is as follows:

Response	# of participants	% of total participants
Yes	0	0.0
No	64	100.0
Blank/No Response	0	0.0
Total	64	100.0

The purpose of this question was largely to ensure that each participant was qualified to answer questions about ETSU’s accounting classes. Therefore, the response breakdown is as expected, as the study focused on upper level undergraduate and graduate accounting classes. The survey responses indicate that 100% of the participants are, at least to some extent, knowledgeable about ETSU’s accounting classes.

Survey One Question Two

The second question of the survey asked the participant if they had ever been enrolled in an accounting class at ETSU that discussed ethics. The question then asked the participant to list those class name(s) and how many (1-2, 3-4, 5-6, or more than 6) times ethics were discussed in each class that the participant listed. To simplify analysis, the survey responses to this question will be presented in two parts. A list of the class names and corresponding class number can be found in the appendix.

The response breakdown for Survey One, Question Two is as follows:

- a. Have you ever been enrolled in an accounting class at ETSU that discussed ethics?

Response	# of participants	% of total participants
Yes	51	79.7
No	7	10.9
Blank/No Response	6	9.4
Total	64	100.0

- b. If so, list the class name and how many times ethics were discussed in that class.

Undergraduate classes:

Class	1-2 times (Rare)	3-4 times (Few)	5-6 times (Moderate)	More than 6 times (Many)	No frequency indicated	Total
2010	5	7	2	4	2	20
2020	4	6	3	4	2	19
3000	0	2	0	8	0	10
3010	5	11	5	9	0	30
3020	3	8	7	4	0	22
3110	2	5	4	5	1	17
3320	1	0	1	0	0	2
3410	3	2	4	6	3	18
4010	0	1	3	1	0	5
4610	1	1	5	4	0	11
4717	0	1	1	0	0	2

For the purposes of analysis, 1-2 times is considered “rare”, 3-4 times is considered “few”, 5-6 times is considered “moderate”, and more than 6 times is considered “many”. It is interesting to note that every accounting class in the current curriculum was mentioned by at least two students and given credit for at least multiple mentions of ethics. Some classes clearly emphasize ethics to a greater degree as many students indicated that ethics were discussed many times, namely ACCT 3000 and ACCT 3010. Variance in the frequency of ethics discussion could be attributed to individual professors or subject matter of the course.

Graduate classes:

Class	1-2 times (Rare)	3-4 times (Few)	5-6 times (Moderate)	More than 6 times (Many)	No frequency indicated	Total
5010	0	0	0	1	0	1
5420	0	0	1	1	0	2
5510	1	0	0	0	0	1
5610	0	1	0	2	0	3

Because the most advanced class of participants represented in the study was ACCT 5610, which is relatively early in the graduate curriculum, a large majority of the participants did not have extensive knowledge of the graduate accounting program at ETSU. Therefore, the responses regarding ethics instruction within the graduate program were extremely limited; these responses did not allow for a meaningful analysis of ethics instruction at the graduate level.

Survey One Question Three

The third question of the survey asked the participant if they believed that the classes they listed in Question Two increased their ability to deal with ethical dilemmas in their profession.

The response breakdown for Survey One, Question Three is as follows:

Response	# of participants	% of total participants
Yes	42	65.6
No	7	10.9

Qualified	6	9.4
Blank/No Response	9	14.1
Total	64	100.0

As noted in the table above, some students qualified their responses. The most notable trend amongst those who qualified their response was that although ethics was talked about, there was not a heavy emphasis on ethics. One participant wrote, “Although it [ethics] was not focused on much, I do believe these classes increased my ability to deal with ethical dilemmas by giving examples and consequences of unethical behavior.” Another participant stated, “Yes, but we never took it [ethics] into great detail.” Only around 11% of students said they did not feel better equipped to deal with ethical dilemmas in their profession, while a 65.6% majority of students indicated that they did.

Survey One Question Four

Question Four asked participants if the accounting classes they had taken at ETSU taught the student real-life application of ethics for their future profession, and to explain their answer.

The response breakdown for Survey One, Question Four is as follows:

Response	# of participants	% of total participants
Yes	41	64.1
No	7	10.9
Qualified	12	18.8
Blank/No Response	4	6.2

Total	64	100.0
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Similar to the response breakdown to Survey One Question Three, approximately 64% of participants stated that they received real-life benefits due to the ethics instruction at ETSU. It is important to note that almost a fifth of the participants qualified their answer and many of them echoed the same sentiment: it is difficult, if not impossible, to gain real-life experience in the classroom. One participant stated, “We've studied cases, but when actually faced with something it could be totally different.” Many of the participants who responded “No” also stated that they did not believe they could gain real-life application from classroom studies.

Survey One Question Five

The fifth question prompted the student to respond to an ethical dilemma. In this specific dilemma, an auditor, Bridget, is conducting an audit for a client who utilizes a software that Bridget’s firm created. During the course of the audit, Bridget discovers weaknesses in the software and includes them in her management letter. Bridget’s boss instructs her to amend the report and not include this information. Participants were asked whether they thought Bridget should amend her audit report or not, and to explain their reasoning.

The response breakdown for Survey One, Question Five is as follows:

Response	# of participants	% of total participants
Yes	5	7.8
No	49	76.6
Qualified	1	1.6

Blank	9	14.1
Total	64	100.0

Although there are many ways to handle an ethical dilemma, the researcher considered a “No” to be a correct response. Performing an audit that dealt with software that Bridget’s firm created was a conflict of interest, and Bridget should have excused herself from the audit. However, since Bridget did not recuse herself, she then has a responsibility to perform the audit with the utmost integrity and objectivity; Bridget should disclose the control weaknesses of the software despite her boss’s instructions to modify the audit report.

With this in mind, a 76.6% majority of participants responded correctly to the ethical dilemma.

Analysis of Survey Two

Survey One included four questions. This section will provide an individual analysis of each question included on Survey Two. A copy of Survey Two can be found in the appendix.

Survey Two Question One

The first question on the second survey asked the participant if ethics had been discussed in the class in which they were currently enrolled. For example, participants in ACCT 3020 were asked to indicate whether ethics had been discussed in ACCT 3020 over the course of the semester. The question also prompted the participant to indicate how many (1-2, 3-4, 5-6, or more than 6) times they remembered ethics being discussed in the class. To simplify analysis, the survey responses to this question will be presented in two parts.

The response breakdown for Survey Two, Question One is as follows:

a. Over the course of the semester, were ethics discussed in this class?

Response	# of participants	% of total participants
Yes	61	95.3
No	3	4.7
Blank	0	0.0
Total	64	100.0

b. Indicate the number of times.

Class	1-2 times (Rare)	3-4 times (Few)	5-6 times (Moderate)	More than 6 times (Many)	No frequency indicated	Total
ACCT 3020	8	3	6	2	3	22
ACCT 4610	1	4	4	16	0	25
ACCT 5610	0	1	5	11	0	17
Total	9	8	15	29	3	64

For the purposes of analysis, 1-2 times is considered “rare”, 3-4 times is considered “few”, 5-6 times is considered “moderate”, and more than 6 times is considered “many”. A notable conclusion from these responses is that all participants indicated that ethics were discussed in class, with ACCT 4610 having the highest number of occurrences per participant.

The majority of participants also indicated that ethics were discussed at least 5 times during the semester.

Survey Two Question Two

The second question of this survey asked the participant if they believed that the discussion of ethics in this class impacted their confidence in their ability to deal with an ethical dilemma in the accounting profession, and to explain their reasoning behind their answer.

The response breakdown for Survey Two, Question Two is as follows:

Response	# of participants	% of total participants
Yes	50	78.1
No	7	10.9
Qualified	5	7.8
Blank	2	3.1
Total	64	100.0

A majority of around 78% of participants indicated that they did feel more confident in their abilities to deal with an ethical dilemma, due to the ethics instruction that they received during the course of that semester. Only around 11% of participants did not feel more confident. Those who indicated that they did not feel more confident noted that they did not believe that the classroom examples of ethics were pertinent to real life, or would ever apply to real-life situations.

Survey Two Question Three

The third question on Survey Two asked students if they believed that this class taught them real life application of ethics for their future profession. This question differs from a similar question asked on Survey One, as Survey One asked generally about previously completed classes, while this question asked about the specific class in which the participant was currently enrolled.

The response breakdown for Survey Two, Question Three is as follows:

Response	# of participants	% of total participants
Yes	49	76.6
No	6	9.4
Qualified	7	10.9
Blank	2	3.1
Total	64	100.0

The breakdown of Survey Two Question Three is similar to the breakdown of the previous question: approximately 77% of participants believed they gained real life application from the instruction while around 9% did not. Participants who did not feel that the class taught real-life application of ethics said that learning about ethics in the classroom is considerably different than applying ethics to a real-life scenario.

Survey Two Question Four

The final question on Survey Two was a repetition of the exact same ethical dilemma that was presented to participants on Survey One Question Five. See the appendix for the presented dilemma.

The response breakdown for Survey Two, Question Four is as follows:

Response	# of participants	% of total participants
Yes	5	7.8
No	49	76.6
Qualified	1	1.6
Blank	9	14.1
Total	64	100.0

To reiterate the explanation of this ethical dilemma as addressed in the Survey One Question Four analysis, the researcher considered a “No” to be a correct response to the question of whether Bridget should amend the letter. Bridget had a responsibility to uphold the integrity of the audit; she must either recuse herself from the audit or maintain objectivity.

Following this criteria, 76.6% of participants produced the correct answer.

Chapter Three: Results and Discussion

Results

This section will include a comparison of the participant's responses to the ethical dilemmas on the two surveys, as well as general conclusions that can be drawn from the data.

Comparison of The Responses to The Ethical Dilemma

The purpose of the duplication of the ethical dilemma on the two surveys was to allow the researcher to analyze how the participants' ethics application might evolve over the course of the semester. However, the response breakdown to the ethical dilemma was exactly the same on both surveys; there was no change between the two surveys. There could be many reasons for this consistency, including: participants' ethics understanding did not change over the course of the semester, participants learned about ethics but did not understand how to apply it to the case study, or participants' ethics did not change during the course of the class despite the number of conversations because their ethical opinions were already formed.

General Conclusions

There are many important conclusions that can be drawn from the participants' responses to the surveys. Based on data from Survey One Question Three and Survey One Question Four, approximately two thirds of participants believe that the ethics instruction at ETSU both increased their ability to handle ethical dilemmas as well as taught them real-life application of ethics. Another notable conclusion is that at least one participant indicated that ethics were discussed in each class in the ETSU accounting curriculum.

Discussion

The results discussed in the two previous sections could support the argument that the integration method of ethics is similarly effective to a dedicated ethics class; one of the main criticisms cited in the articles throughout the literature review of this project was that ethics were not as heavily emphasized through the integration method. However, this study indicates that, in the participants' opinions, ETSU is currently effectively utilizing the integration method and placing a strong emphasis on ethics.

It is unfair to draw sweeping conclusions regarding the effectiveness of the integration method based on the limited scope of this study. There are many variables specific to ETSU, including faculty, class size, the student body, or even implicit biases of the researcher, that could have influenced the results of this study. Therefore, further research would be beneficial to determine specifically if and how ETSU and other similar institutions might better their ethics instruction.

Though this study cannot definitively answer how ETSU should proceed in its ethics instruction, one should ask: could one ever be too effective in ethics instruction? To this point, while a large majority of students indicated successes in the ETSU accounting ethics instruction, some participants noted the failures. Certain professors might not stress ethics as much as others, and some accounting classes are too rigorous and time-consuming to allow opportunities for deep, meaningful discussion of ethics. To correct these potential issues, ETSU might consider reintroducing a dedicated ethics class, while also maintaining the emphasis on ethics that is currently fostered in its' general accounting curriculum. This dedicated ethics class could supplement and reinforce ethical behavior as it is already being taught at ETSU. When

considering the ethics of our future accountants, we must plant the seeds of ethical behavior as deeply as we can, however we can, whenever we can.

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Appendix Part I

Survey 1 (September administration of survey):

Class name: _____

Your initials: _____

1. Is this your first accounting class at ETSU?

YES or NO

If you answered "YES", please skip to question 5.

If you answered "NO", please continue to question 2.

2. Have you ever been in an accounting class at ETSU prior to this class that discussed ethics?

YES or NO

If so, please list the courses that included ethics and indicate how often ethics were discussed (1-2 times, 3-4 times, 5-6 times, or more than 6 times).

Class Name:	Number of Times Ethics Were Discussed (please circle):			
1. _____	1-2 times	3-4 times	5-6 times	more than 6
2. _____	1-2 times	3-4 times	5-6 times	more than 6
3. _____	1-2 times	3-4 times	5-6 times	more than 6
4. _____	1-2 times	3-4 times	5-6 times	more than 6
5. _____	1-2 times	3-4 times	5-6 times	more than 6

3. Do you believe the classes you listed in question 2 increased your ability to deal with ethical dilemmas in your profession? Please explain.

4. Do you believe that the accounting classes that you have taken at ETSU are teaching you real-life application of ethics for your future profession? Please explain.

5. Please respond to the following dilemma:

Bridget is a Senior Auditor with a national firm. This firm has developed a package called the ACME Accounting System. This system is sold to the general public as well as the firm's clients.

Bridget is the auditor in charge of the field work on the ABC Company's audit. During the course of the audit assignment, Bridget is asked to evaluate the quality control of the accounting system software which happens to be the ACME package (the same one that Bridget's firm developed). Bridget uncovers several severe control weaknesses in the ACME system. Before rendering the management letter to ABC, Bridget is told by her boss at the firm to modify the negative comments regarding the ACME software. In the process of advising Bridget whether she should amend the management letter, many issues need to be considered.

Ideally, should Bridget amend the management letter?

Please explain the advice you would give to Bridget on whether she should amend the letter, and why or why not:

Appendix Part II

Survey 2 (November administration of survey)

Class name: _____

Your initials: _____

1. Over the course of the semester, were ethics discussed in this class?

YES or NO

If yes, please indicate approximately how many times ethics were discussed in this class by circling the number of times below:

1-2 times 3-4 times 5-6 times more than 6 times

2. Did the discussion of ethics in this class impact your confidence in your ability to deal with an ethical dilemma in the accounting profession? Please explain.

3. Do you believe that this class taught you real-life application of ethics for your future profession? Please explain.

4. Please respond to the following dilemma:

Bridget is a Senior Auditor with a national firm. This firm has developed a package called the ACME Accounting System. This system is sold to the general public as well as the firm's clients.

Bridget is the auditor in charge of the field work on the ABC Company's audit. During the course of the audit assignment, Bridget is asked to evaluate the quality control of the accounting system software which happens to be the ACME package (the same one that Bridget's firm developed). Bridget uncovers several severe control weaknesses in the ACME system. Before rendering the management letter to ABC, Bridget is told by her boss at the firm to modify the negative comments regarding the ACME software. In the process of advising Bridget whether she should amend the management letter, many issues need to be considered.

Ideally, should Bridget amend the management letter?

Please explain the advice you would give to Bridget on whether she should amend the letter, and why or why not:

Appendix Part III

Title of Research Study: A Study of the Effectiveness of Ethics Instruction to Accounting Students at East Tennessee State University

Principal Investigator: Elizabeth Brackins

Principal Investigator's Contact Information: brackinse@etsu.edu, 615.973.1516

Organization of Principal Investigator: East Tennessee State University

INFORMED CONSENT

This Informed Consent will explain about being a participant in a research study. It is important that you read this material carefully and then decide if you wish to voluntarily participate.

- A. Purpose:** The purpose of this research study is to critically evaluate the ethics instruction as it is presently utilized at East Tennessee State University (ETSU). The study aims to determine whether the current ethics instruction is effective at enhancing accounting students' knowledge and application of ethics. Results of the study may be released to ETSU faculty, faculty at other colleges, or otherwise published.
- B. Duration:** The participant's expected duration is the Fall 2018 semester. Participants will be asked to respond to two short surveys near the beginning and the end of the Fall 2018 semester. Each administration of the survey will last no longer than twenty minutes.
- C. Procedures:** The procedures, which as a participant in this research will involve you, include answering multiple choice questions presented in short surveys. Each participant will take part in two surveys during the Fall 2018 semester. Should a participant choose not to take part in one of the surveys, the data from that participant's corresponding survey will be disregarded and the participant will be terminated from the study without the participant's express consent.
- D. Alternative Procedures/Treatments:** The alternative procedures/treatments available to you if you elect not to participate in this research study are **none**.
- E. Possible Risks/Discomforts:** The possible risks and/or discomforts from your participation in this research study include no foreseen risks and/or discomforts.
- F. Possible Benefits:** The possible benefits of your participation in this research study include better ethics instruction for accounting students, which will hopefully in turn foster a greater sense of ethics for accountants and the businesses they interact with. There are no potential benefits to individual participants.

- G. Compensation in the Form of Payments to Participant:** There is no compensation in the form of payments to study participants.
- H. Voluntary Participation:** Your participation in this research experiment is voluntary. **You may choose not to participate.** If you decide to participate in this research study, you can change your mind and quit at any time. If you choose not to participate, or change your mind and quit, the benefits or treatment to which you are otherwise entitled will not be affected. You may quit by calling Elizabeth Brackins, at 615.973.1516. You will be told immediately if any of the results of the study should reasonably be expected to make you change your mind about continuing to participate.
- I. Contact for Questions:** If you have any questions, problems, or research-related medical problems at any time, you may call Elizabeth Brackins, at 615.973.1516, or Dr. Michelle Freeman, at 423.439.4599. You may also call the Chairperson of the ETSU Institutional Review Board at 423.439.6054 for any questions you may have about your rights as a research participant. If you have any questions or concerns about the research and want to talk to someone independent of the research team or you can't reach the study staff, you may call an IRB Coordinator at 423.439.6055 or 423.439.6002.
- J. Confidentiality:** Every attempt will be made to see that your study results are kept confidential. A copy of the records from this study will be stored in Sam Wilson Hall for at least 6 years after the end of this research. The results of this study may be published and/or presented at meetings without naming you as a participant. Although your rights and privacy will be maintained, the Secretary of the Department of Health and Human Services, the ETSU IRB, and Elizabeth Brackins and her research team have access to the study records. Your (medical) records will be kept completely confidential according to current legal requirements. They will not be revealed unless required by law, or as described in this form.

By signing below, I confirm that I have read and understand this Informed Consent Document and that I had the opportunity to have them explained to me verbally. You will be given a signed copy of this informed consent document. I confirm that I have had the opportunity to ask questions and that all my questions have been answered. By signing below, I confirm that I freely and voluntarily choose to take part in this research study.

Signature of Participant

Date

Appendix Part IV

Undergraduate Classes

- ACCT 2010 – Principles of Accounting I (3 credits)
- ACCT 2010 – Principles of Accounting II (3 credits)
- ACCT 3000 - Professionalism in Accountancy (3 credits)
- ACCT 3010 - Financial Accounting I (3 credits)
- ACCT 3020 - Financial Accounting II (3 credits)
- ACCT 3110 - Management Accounting (3 credits)
- ACCT 3320 – Data Analytics for Accounting (3 credits)
- ACCT 3410 - Federal Income Tax Accounting (3 credits)
- ACCT 4010 - Advanced Financial Accounting (3 credits)
- ACCT 4610 - Auditing Theory and Practice (3 credits)
- ACCT 4717 - Not-For-Profit Accounting (3 credits)

Graduate Classes

- ACCT 5010 – Seminar in Financial Accounting (3 credits)
- ACCT 5420 – Controllership & Financial Leadership (3 credits)
- ACCT 5510*
- ACCT 5610 – Seminar in Auditing (3 credits)

*ACCT 5510 was listed by a participant in Survey One, Question Two, but does not correspond with any accounting class currently or recently offered in ETSU curriculum.