

## AFBE 320 - Accounting and Business Ethics

Course Title	Accounting and Business Ethics			
Course Code	AFBE 320			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	7 <sup>th</sup>			
Teacher's Name	Andreas Georgiou.			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>Accounting is governed by ethics and governance. The module aims to evaluate different theories of ethics and to explain the relationship between corporate governance and responsibility.</p> <p>Students should be able to apply different ethical theories to accounting and business case study scenarios.</p> <p>The module also aims to critically appraise the accounting professions code of professional conduct and to examine situations where corporate governance structures have broken down.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> <li>1. Evaluate different theories of ethics.</li> <li>2. Evaluate the different approaches to social responsibility.</li> <li>3. Understand the purposes and objectives of corporate governance.</li> <li>4. Explain the relationship between corporate governance and responsibility</li> <li>5. Apply different ethical theories to accounting and business ethical cases.</li> <li>6. Appraise the accounting professions code of professional conduct.</li> <li>7. Explain situations where corporate governance structures have broken down.</li> <li>8. Demonstrate university-level communication skills for presentations and written reports.</li> </ol>			
Prerequisites	ABSA 308	Corequisites	ABSA 411	
Course Content	<ul style="list-style-type: none"> <li>• Ethical theories: Distinguish between various ethical theories such as: relativism and absolutism. Distinguish between the deontological and teleological approach to ethics. Appraise and</li> </ul>			

apply the ethical decision-making models in accounting and professional contexts.

- Social responsibility: Describe and evaluate the different approaches to ethics and social responsibility. Appraise corporate and personal ethical stances. Analyse the variables determining the cultural context of ethics and corporate social responsibility.
- Code of ethics and ethical conflicts: Evaluate corporate codes of ethics. Identify professional codes of ethics. Critically evaluate the code of ethics relevant to accounting professionals. Evaluate issues associated with conflicts of interest and ethical conflicts. Appraise the nature and impacts of ethical threats and safeguards. Analyse the relationship between independence and ethical behaviour.
- Corporate governance and agency theories: State the: Definition, purposes and objectives of corporate governance. Evaluate the roles of external parties involved in corporate governance. Define and explore agency theory and its key concepts. Explain the relationship between corporate governance with the principal agency relationship.
- Boards and corporate governance: Recognise the roles and responsibilities of boards of directors. Analyse board structures based on case study scenarios. Recognise the characteristics of board composition. Explain the :purpose, roles and responsibilities of non-executive directors. Distinguish between the roles of the chairman and the chief executive officer (CEO). Assess the importance of board expertise. Analyse the frameworks for assessing board performance.
- Committees and director remuneration: Explain and assess the importance, roles and accountability of board committees. Analyse the roles in effective corporate governance of various committees. Describe and assess the general principles of remuneration. Assess the effect of remuneration packages on directors' behaviour.
- Social and environmental issues in business and ethical behaviour: Describe and assess the social and environmental effects economic activity can have. Explain and assess the concept of sustainability and evaluate the issues concerning accounting for sustainability. Describe the main features of internal management systems for environmental accounting. Explain the nature of social and environmental audits and evaluate its contribution to environmental accounting.

	<ul style="list-style-type: none"> <li>An overview of the CFA code of ethics. Ethical dilemmas in the investment industry, the benefits and consequences of not following ethical behavior, the legal framework relating to investments.</li> </ul>
Teaching Methodology	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
Bibliography	<p><u>Textbooks:</u> BPP, ACCA Paper P1: Governance, Risk and Ethics: Study Text, BPP Learning Materials, 2017.</p> <p><u>References:</u> Kaplan Publishing, ACCA Paper P1: Governance, Risk and Ethics: Study Text, BPP Learning Materials, 2017.</p> <p>CFA investment Foundation material: <a href="https://www.cfainstitute.org/en/programs/investment-foundations">https://www.cfainstitute.org/en/programs/investment-foundations</a></p> <p>Kaplan Publishing, Audit and Assurance (AA) Study Text, Kaplan Publishing, 2018 edition.</p> <p>Andreas Georgiou (2018), Auditors' Perceptions on Impact Of Mandatory Audit Firm Rotation on Auditor Independence - Evidence from Cyprus, Science and Business: Development Ways, No. 3 (81), pp 150-157.</p> <p>Andreas Georgiou (2010). Corporate governance and its effect on the performance on family and non-family companies listed on the Cyprus stock exchange (Doctoral dissertation, Middlesex University).</p>
Assessment	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves a research assignment in the area of ethics or governance (with a written report and presentation), a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving practical problems in ethics.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> <li>86% or more – Excellent application of problem solving skills.</li> <li>76%-85% - Very good application of problem solving skills.</li> <li>66%-75% - Good application of problem solving skills.</li> <li>56%-65% - Satisfactory with some success in applying problem solving skills</li> </ul>

	<ul style="list-style-type: none"> <li>• 50%-55% -Satisfactory with limited success in applying problem solving skills</li> <li>• Below 50% -Little or no application of problem solving skills.</li> </ul> <p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> <li>• Research assignment      30%</li> <li>• Mid-term test                10%</li> <li>• Final exam                    60%</li> </ul>
Language	English.