

教育部高校工商管理类教学指导委员会 双语教学推荐教材

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工商管理经典教材·会计与财务系列

Administration Classics

商业伦理与 会计职业道德

Business & Professional Ethics for Accountants,

Directors & Executives

(英文版·第5版)

(Fifth Edition)

伦纳德·J·布鲁克斯 (Leonard J. Brooks)

著

保罗·邓恩 (Paul Dunn)

任明川 改编

中国人民大学出版社

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总 序

随着我国加入 WTO，越来越多的国内企业参与到国际竞争中来，用国际上通用的语言思考、工作、交流的能力也越来越受到重视。这样一种能力也成为我国各类人才参与竞争的一种有效工具。国家教育机构、各类院校以及一些主要的教材出版单位一直在思考，如何顺应这一发展潮流，推动各层次人员通过学习来获取这种能力。双语教学就是这种背景下的一种尝试。

双语教学在我国主要指汉语和国际通用的英语教学。事实上，双语教学在我国教育界已经不是一个陌生的词汇了，以双语教学为主的科研课题也已列入国家“十五”规划的重点课题。但从另一方面来看，双语教学从其诞生的那天起就被包围在人们的赞成与反对声中。如今，依然是有人赞成有人反对，但不论是赞成居多还是反对占上，双语教学的规模和影响都在原有的基础上不断扩大，且呈大发展之势。一些率先进行双语教学的院校在实践中积累了经验，不断加以改进；一些待进入者也在模仿中学习，并静待时机成熟时加入这一行列。由于我国长期缺乏讲第二语言（包括英语）的环境，开展双语教学面临特殊的困难，因此，选用合适的教材就成为双语教学成功与否的一个重要问题。我们认为，双语教学从一开始就应该使用原版的各类学科的教材，而不是由本土教师自编的教材，从而可以避免中国式英语问题，保证语言的原汁原味。各院校除应执行国家颁布的教学大纲和课程标准外，还应根据双语教学的特点和需要，适当调整教学课时的设置，合理选择优秀的、合适的双语教材。

顺应这样一种大的教育发展趋势，中国人民大学出版社同众多国际知名的大出版公司，如麦格劳-希尔出版公司、培生教育出版公司等合作，面向大学本科生层次，遴选了一批国外最优秀的管理类原版教材，涉及专业基础课，人力资源管理、市场营销及国际化管理等专业方向课，并广泛听取有着丰富的双语一线教学经验的教师的建议和意见，对原版教材进行了适当的改编，删减了一些不适合我国国情和不适合教学的内容；另一方面，根据教育部对双语教学教材篇幅合理、定价低的要求，我们更是努力区别于目前市场上形形色色的各类英文版、英文影印版的大部头，将目标受众锁定在大学本科生层次。本套教材尤其突出了以下一些特点：

- 保持英文原版教材的特色。本套双语教材根据国内教学实际需要，对原书进行了一定的改编，主要是删减了一些不适合教学以及不符合我国国情的内容，但在体系结构和内容特色方面都保持了原版教材的风貌。专家们的认真改编和审定，使本套教材既保持了学术上的完整性，又贴近中国实际；既方便教师教学，又方便学生理解和掌握。

- 突出管理类专业教材的实用性。本套教材既强调学术的基础性，又兼顾应用的广泛性；既侧重让学生掌握基本的理论知识、专业术语和专业表达方式，又考虑到教材和管理实践的紧密结合，有助于学生形成专业的思维能力，培养实际的管理技能。

- 体系经过精心组织。本套教材在体系架构上充分考虑到当前我国在本科教育阶段推广双语教学的进度安排，首先针对那些课程内容国际化程度较高的学科进行双语教材开发，在其专业模块内精心选择各专业教材。这种安排既有利于我国教师摸索双语教学的经验，使得双语教学贴近现实教学的需要；也有利于我们收集关于双语教学教材的建议，更好地推出后续的双语教材及教辅材料。

- 篇幅合理，价格相对较低。为适应国内双语教学内容和课时上的实际需要，本套教材进行了一定的删减和改编，使总体篇幅更为合理；而采取低定价，则充分考虑到了学生实际的购买能力，从而使本套教材得以真正走近广大读者。

位改编者提出意向，向国外版权公司提交改编方案，申请版权合同。目前选定的丛书都是在美国院校会计教育中享有盛誉的教科书，作者均为欧美会计、财务学界的知名学者和专业人士。其中有几本已经在国内出版多次翻译版，为会计界人士所熟悉。

应该提到的一点是，这套丛书并不是封闭的，还计划继续增加新书，以不断充实和完善丛书体系。

第三步是确定改编原则。篇幅要缩小，但是力求改编后尽量保持全书结构的完整，主要是删除章后部分习题和附录，以及与我国实际情况相差较远、教学中不涉及的部分章节，使得改编后的书适合我国教学的实践。为了方便院校老师教学和学生学习，在教材之外，还计划在中国人民大学出版社网站 (www.rdjg.com.cn) 上提供中英文对照的目录和术语表、教学辅助资料、习题、案例、英文 PPT 等，供老师们免费下载。

随着我国教育改革的深入发展，我国各大学的商学院都越来越重视双语教学，选择反映国外最新教学研究成果的英文原版教材，已经成为普遍要求。为此我们希望，这套丛书能为院校的同仁提供帮助，同时也欢迎提出批评指正意见和改进建议。

王立彦（北京大学光华管理学院）

耿建新（中国人民大学商学院）

主持人语

(一)

2006年9月，中国人民大学出版社的编辑与我们联系，探讨筹划出版一套会计学系列英文原版教材，我们立即表示愿意合作。

在谈论我国改革开放伟大事业时有一个常被提到的故事：20世纪70年代后期，西方发达国家和我国港澳台地区的企业家、投资人来到中国大陆寻求商机和洽谈合作，总是有两种职业人才相伴，那就是律师和会计师。律师帮助企业家、投资人探究资本的安全性和发展的法制环境，会计师则帮助企业家、投资人分析合作者的财务状况和潜在的投资获利前景。所以，改革开放初期首先面世的相关规范，就是“三资企业法规”和“三资企业会计制度”。

一个显然的事实是，法律不可能国际化（甚至在一个主权国家之内，也存在着地区间的立法差异）。而会计，则一直在朝着成为“国际商业语言”的方向发展。资产负债表、利润表、现金流量表、股东权益变动表等作为会计语言的载体，在全世界的企业家、金融家、资本市场交易者之间，都是基本一致或相似的通用交流工具；而财务报告的编制者和审计者，都在遵循着促成大家得以相互理解、逐渐走向趋同的会计和审计专业规则。

相应地，我国改革开放30多年来，在国际交流的知识融会中，与国际接轨最快的领域当属商学各学科知识，其中会计学更是走在前面。大学会计专业教学在积极采用翻译教材的同时，很早就尝试采用英文原版教材，让广大师生受益匪浅。近年来国内出版的会计类英文版教科书越来越多，几乎没有漏掉大家公认的好书。而在出版时间方面，有些教材在中国出版的影印版和翻译版，甚至与其在母国的原版实现了同步，这使得我们在接受新知识方面几乎不存在时间差。可见，知识领域是没有不可逾越的语言界限的。

不过，我们也注意到，目前我国国内已经出版的众多会计专业英文版教科书，对院校教育的主角——教师和学生——来说，存在着两个严重的弱项：一是多而不成体系，分别看，每本都不错，可是怎么配套呢？要知道，一桌盛宴不能只是道道好菜一股脑儿端上来，还得有荤素冷热搭配才行；二是篇幅厚重、价格吓人，动辄百元以上，别说多数学生买不起，就连教师们也在书店也常常因囊中羞涩而犹豫再三，拿起又放下。

所以，我们很愿意与中国人民大学出版社的编辑一起，针对上述两个弱项来有意识地组织这套英文版改编教材。

(二)

工作的第一步是组织团队。接受邀请的团队都是在院校教学一线的教师，分别来自中国人民大学、北京大学、复旦大学、厦门大学、上海财经大学、东北财经大学、北京师范大学、对外经济贸易大学、北京工商大学、北方理工大学、北京语言大学等。他们都拥有博士学位；英文功底都非常好；都已经在教学中采用英文原版教材，从而深有体会；都在海内外核心期刊发表过学术论文；主持和参加的科学研究课题都得到国家自然科学基金、国家社会科学基金、国家博士后科学基金和教育部专项研究基金的有力支持。他们是会计教育和学术研究的中坚力量：其中两位获得2007年“教育部新世纪优秀人才支持计划”研究项目资助，四位曾留学英美，五位入选“首届全国会计学术带头人后备人才”。

第二步是选书。结合当前中国院校会计学专业培养学生的课程设置，在国际著名教育出版公司推荐的基础上，改编团队成员与中国人民大学出版社的编辑一起，选择能够配套成体系的英文教科书。然后请各

位改编者提出意向，向国外版权公司提交改编方案，申请版权合同。目前选定的丛书都是在美国院校会计教育中享有盛誉的教科书，作者均为欧美会计、财务学界的知名学者和专业人士。其中有几本已经在国内出版多次翻译版，为会计界人士所熟悉。

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王立彦（北京大学光华管理学院）

耿建新（中国人民大学商学院）

改编者的话

由伦纳德·J·布鲁克斯教授和保罗·邓恩博士合著的《商业伦理与会计职业道德》一书是商业伦理与会计职业道德领域的一本优秀教材。它不仅构建了一个清晰的理论框架，而且提供了大量的案例。我于2007年首次在“会计职业道德”课程中选用这一教材，当时是第3版，由布鲁克斯教授独著。现在呈现给读者的是第5版。作为该书的忠实读者和使用它的任课教师，我很荣幸地把它推荐给同行的教师和学生。它是学习商业伦理与会计职业道德的良师益友。

众所周知，商学院开设“商业伦理与会计职业道德”课程时间不长。2001年，美国爆出了著名的安然丑闻，不久世通丑闻接踵而至。作为这两家公司的审计师，安达信会计师事务所也身败名裂。舆论对企业与会计的败德行为深感震惊，投资者信心遭受重创。美国国会于2002年颁布了《萨班斯-奥克斯利法案》，是20世纪30年代以来美国证券法规模最大的一次修订。2008年，美国把全球经济带入了一场史无前例的金融危机。危机的始作俑者是华尔街，那里的从业者有成千上万美国乃至全球商学院的高材生。美国前总统乔治·布什在一次媒体见面会上说道：金融危机是由哈佛商学院那些学金融的年轻人弄出来的。此话虽然不无调侃，但在一定程度上反映了社会对商学院社会责任的拷问。目前，全球的商科教育普遍存在一种倾向，即重经济技术分析、轻道德法律考量，这是一个不争的事实。“商业伦理与会计职业道德”课程的兴起正是对这一偏差的纠正。亡羊补牢，尤为未晚。

我于2001年在复旦大学为会计专业本科生首开“会计职业道德”课程。当时，我刚到复旦任教，会计的常规课程已有授课教师。鉴于对职业道德课程的认知，加上对“夺人所爱”之忌，我选择了这门新的课程，并讲授至今。2005年，我国新设“会计专业硕士”（Master of Professional Accountant, MPAcc）学位，并将“商业伦理与会计职业道德”课程定为核心理课程。同年，我开始为复旦大学MPAcc学员讲授这一课程。教材的匮乏是教学面临的一个难题。在尝试了数本国内教材之后，我于2007年改用布鲁克斯教授的教材。原因有二：一是国内教材的相对不足，或没有一个清晰明了的理论框架，或缺乏充分的案例材料以及透彻的案例分析；二是复旦大学对英语教学的推崇和鼓励。

布鲁克斯与邓恩的《商业伦理与会计职业道德》一书从“道德期望”入手。运用利益相关者（stakeholders）理论，为实际的决策分析确定了一个合理的视角。商业伦理与职业道德涉及哲学问题。作者从哲学的视角探讨了诸如道德与商业、人的自利本性与经济学、道德与法律的关系。就实际操作而言，作者介绍了道德决策的基本方法，包括五问法（5-question approach）、准则法（moral standards approach）和帕斯汀法（Pastin approach）。哲学理论与决策方法的有机结合使教材的内容博大精深又不失实用性。本书的另一个特色是不拘泥于具体的伦理与道德规范。其关注的核心是制度建设，即公司的道德治理结构和道德责任界定。作者利用单独一章讨论了会计职业道德。它不仅提供了一个完整会计道德规范体系，而且探讨了会计师在缺乏明确的法律规定和道德规范情况下的职业判断。作者对案例的分析精准到位，恰如其分。用理论诠释案例，用案例演示理论，两者的契合给人以“血肉交融”之感。值得强调的是，作者在选择案例时采用国际化视角，并且贴近现实。例如，第1章的案例中讲述了中国的婴儿奶粉事件。长期以来，商业伦理与职业道德始终是企业经营面临的一项挑战。在日益国际化、信息化的今天，这一挑战也变得日益严峻。为此，有些企业设立了道德总监（Chief Ethics Officer）职位，也称CEO。道德决策的失误会给企业造成经济损失，甚至致命打击，这一道理已经被众多的中外企业案例所验证。

需要说明的是，所谓“改编”实乃名不副实。就内容而言，现在呈现给读者的是第5版的完整原版，对

章节内容未做任何删节。为了压缩篇幅，省略了各个章节的阅读材料和附录，并且有选择地删节了部分案例。出于方便学习和研究之考虑，我们保留了各章的思考题和参考文献。顺应国际化发展趋势，我国的商科英语教学已经有了长足的发展。本教材的出版为全英语授课的“商业伦理与会计职业道德”课程提供了便利。感谢中国人民大学出版社工商管理出版分社引进了本书的英文改编出版权，使国内读者能以较低的价格分享这一优秀的教材。

任明川
于复旦大学

Challenges and Opportunities

Expectations for appropriate business and professional accounting behavior have changed dramatically. The demise of Enron, Arthur Andersen, and World Com triggered the U.S. Sarbanes-Oxley Act of 2002 and galvanized reforms in the accountability and governance of both corporations and professional accounting. These reforms and the subsequent subprime lending fiasco have influenced business and professional ethics around the world, and they will continue to bring new challenges and opportunities for directors, executives, and professional accountants.

The reforms in accountability and governance frameworks have recognized that corporations and professional accountants are more broadly accountable than prior tradition evidenced. The crisis of corporate reporting credibility that Enron began, Arthur Andersen fostered, WorldCom capped, and the Sarbanes-Oxley Act (SOX) sought to remedy heightened the awareness that corporations and the accounting profession must have the support of many stakeholder groups to achieve their strategic objectives.

That support requires trust—trust based on the expectation that the corporation and professional accountant will do the right thing, that their actions will respect the interests of the stakeholder group. Earning and maintaining that trust requires changing the strategy, risk management, planning, operations, and decision making of the corporation to take account of the interests and expectations of stakeholder groups in addition to shareholders. A new accountability framework is required that focuses on indicators of performance related to stakeholder expectations for both internal and external reporting.

Governance must focus on this new, broader accountability framework in order to ensure that stakeholder trust objectives are met. Such a change will not happen by itself, and directors are in danger of not fulfilling their risk management, due diligence expectations to shareholders if they ignore this duty. Some directors have understood the value of an excellent reputation and have been including risks to reputation in their risk management programs. Now that the linkage among ethics, reputation, and trust is clear and better understood, it is vital for corporations to upgrade their accountability and governance frameworks to ensure continued support. Shareholders and other stakeholders have come to expect more than they did pre-SOX—and the bar continues to rise.

Professional accountants can and should provide a critical element in the trust-oriented accountability and governance system. First, professional accountants can be important agents for ensuring trust. They are expected to serve in the public interest, and must do so to preserve the trust placed in them by a society that expects them to behave as professionals. This expectation, which applies to professional accountants in public practice as well as those employed by corporations, requires a rededication to their role as a trusted fiduciary. Second, professional accountants are well placed to understand the role of trust in internal control and accountability frameworks, and in the governance frameworks that provide direction and oversight to corporate activities. Third, good professional accountants are expected to display a level of professional skepticism and duty that should enable them to recognize the red flags of potential problems and report or remediate them.

Perhaps most important, these new governance and ethics expectations have reached the academic launching pads for new directors, executives, and professional accountants. The interest in newly created directors' governance education programs is startling. In 2004, the accreditation

body for business schools worldwide published an Ethics Education Task Force Report that called for business students to be educated about (1) the responsibility of business in society, (2) ethical leadership, (3) ethical decision making, and (4) corporate governance and ethics.¹ Moreover, many jurisdictions are requiring compulsory ethics courses for accounting students before they are considered ready to write their qualifying exams for professional accounting designation. Accordingly, ethics and governance coverage is penetrating the curricula of far more business schools than in the past—which bodes well for the future.

Understanding these trust expectations and the interrelationship to ethics and governance will resolve challenges and present opportunities for directors, executives, and professional accountants. More important, it will provide the essential foundation for ensuring their support—and that of corporations—in the future.

Purpose of the Book

The crisis of corporate reporting credibility became so severe in mid-2002 that drastic measures were required to restore that credibility and relieve the gridlock that froze capital markets and dampened economies around the world. In fact, the financial disasters in 2002 accelerated and crystallized the impact of pressures for enhanced corporate accountability and a supportive governance framework that had been growing for years. As governance reform based on sound ethics takes hold around the world, there is an increasing need to understand the historical precursors involved, the responsibilities expected, and the techniques available for the satisfaction of those expectations.

Telling the story of ongoing pressures for more trusted governance and of the contributions of the disasters at Enron, Arthur Andersen, and WorldCom is important to the development of an appropriate understanding of the new SOX world for directors, executives, and accountants. Just as sound governance has recently incorporated the need for a risk management process, now the risk management process must be broadened to involve awareness of factors that can erode the support of stakeholder groups.

The reputation of corporations is recognized as being connected with the degree to which stakeholders trust that corporations will do the right thing. In other words, there is now a concern for both what a corporation does and how it is done. At certain times in the past, the emphasis was so strongly on achieving profit that little attention was given to how the profit was earned. Now that the support of stakeholders is recognized as critical to success, understanding how to build their expectations into corporate behavior, accountability, and governance is an important second objective of the book. Extending this discussion to the new era for professional accountants, and reviewing their potential roles, is a third objective.

Directors, executives, and accountants need to understand how to make ethical decisions they can defend to stakeholders. Codes of conduct cannot cover all situations, so organizational cultures need to be developed and decision processes utilized that are based on sound ethical decision-making frameworks. *Business & Professional Ethics* covers these topics as well as the development of an ethics risk management process, strategies for dealing with and reporting to stakeholders, and strategies for ensuring ethical behavior in the workplace and during the management of crises.

In a nutshell, *Business & Professional Ethics* examines the background and nature of the new stakeholder-support era of corporate and professional accountability and governance and



1. The Association to Advance Collegiate Schools of Business, *AACSB Ethics Education Task Force Report*, June 2004, available through the BPE website at www.cengage.com/accounting/brooks

provides insights into the development of sound patterns of behavior on the part of directors, executives, and accountants. Successful management of ethical risks and the development of ethical competitive advantages depend upon the mastery of the subjects discussed. Professional accountants must understand the issues covered as a foundation for the fulfillment of their role as fiduciaries and experts in accountability and governance.

Applicability

Business & Professional Ethics is intended as a sourcebook for directors, executives, and professional accountants on post-Enron/SOX accountability and governance, and on appropriate decision making, behavior, and ethics risk management in the new era. Blending text and cases, it can be used as a stand-alone book in courses in business and/or professional ethics, or in governance. It is also very useful for independent study, or as an adjunct to traditional strategy, governance or accounting texts to provide access to interesting, real-world dilemmas. The material in the book has been used very successfully with MBA and Executive MBA students as well as accounting students.

The book has been organized into relatively freestanding chapters to facilitate custom publishing of a selection of chapters and/or cases. For example, Chapter 2, which covers the Enron, Arthur Andersen, WorldCom, and Sarbanes-Oxley developments, has been well used to start off Executive MBA programs. Similarly, directors and executives or MBA students wishing to focus on conflict of interests could benefit from Chapter 2 and 3, plus cases from other chapters. Chapters 1 and 4 have provided a fundamental platform for understanding current business ethics expectations and defensible approaches to ethical decision making for business students beginning their studies. New Chapter 8, which covers the subprime lending fiasco, provides an essential understanding of the current business challenge gripping us all worldwide. Professional accounting students should be familiar with all chapters.

The coverage provided is largely North American (N.A.) in orientation. Examples and cases are drawn with that perspective in mind. Basic ethical problems and principles are the same throughout North America, since they are shaped by the same concerns, markets, and similar institutional structures and legal strictures. Where points of difference are noteworthy, they are dealt with specifically. It should be noted that the increasing globalization of capital markets has extended North American expectations and problems to large companies around the world. Several new cases covering problems of large European companies and doing business abroad are included to provide a global perspective.

Because of the prominence of N.A. capital markets, and the significant impact of the N.A. practices of the Big Four professional accounting firms, the N.A. governance frameworks for both business and professional accountants around the world will serve as a benchmark for developments in other jurisdictions. In addition, domestic and foreign expectations for behavior will be increasingly intertwined because the practices of multinational corporations or firms will be increasingly scrutinized globally by stakeholders active in major consumer and capital markets and in regulatory arenas around the world.

Ethical behavior in international operations and international accountability are specifically explored, however, because differing cultures call for somewhat different ethical behavior. In addition, the recent emergence of global ethical accounting standards under the auspices of the International Federation of Accountants (IFAC) is covered extensively to prepare readers for the global harmonization process that is occurring.

Authors' Approach

To the greatest extent possible, *Business & Professional Ethics* focuses on the development of a practical understanding of the ethical issues driving the development of emerging accountability and governance frameworks, and of the practical skills required to deal with them effectively. Of necessity, this means providing a learning experience embedded with real-life cases and examples. At the same time, these real-life problems are interpreted through exposure to classic positions and articles that have had a lasting impact on business ethics in general and the accounting ethics in particular. The authors' experience as directors, executives, and professional accountants, plus substantial experience in the teaching of and consulting on business and accounting ethics, management control, and similar governance-related subjects, contributes significantly to the development of the issues and discussions offered.

Organization of the Book

To facilitate the purpose of the book, it is presented in four parts, each with two chapters.

PART 1	THE ETHICS ENVIRONMENT
Ch. 1	Ethics Expectations
Ch. 2	Enron Events Motivate Governance & Ethics Reform
PART 2	ETHICAL BEHAVIOR
Ch. 3	Ethical Behavior — Philosophers' Contributions
Ch. 4	Practical Ethical Decision Making
PART 3	ETHICAL GOVERNANCE, ACCOUNTABILITY & MANAGEMENT
Ch. 5	Corporate Ethical Governance & Accountability
Ch. 6	Professional Accounting in the Public Interest, Post-Enron
PART 4	SIGNIFICANT ETHICS ISSUES FACING BUSINESS & THE ACCOUNTING PROFESSION
Ch. 7	Managing Ethics Risks & Opportunities
Ch. 8	Subprime Lending Fiasco — Ethics Issues

Part 1 provides an understanding of concerns that have been driving the development of ethics expectations both pre- and post-Enron.

- Chapter 1 deals with concerns traditionally felt by a range of stakeholder groups, and how these concerns produced a broadened stakeholder-oriented accountability expectation.
- Chapter 2 tells the story of how the Enron, Arthur Andersen, and WorldCom fiascoes precipitated the corporate reporting credibility crisis that led to the Sarbanes-Oxley Act, which crystallized ethics expectations into new frameworks for accountability and governance for corporations and professional accounting. Both provide a useful foundation for later chapters.

Part 2 facilitates how a director, executive, employee or professional accountant should respond to the emerging ethical expectations by taking decisions and actions that will be considered both right and defensible when codes of conduct do not precisely fit the circumstances. It presents both concepts developed over the centuries by philosophers as well as practical frameworks for their application.

- Chapter 3 covers important contributions by several philosophers to provide a background from which to reason ethically.
- Chapter 4 presents several practical approaches to ethical decision making—really the core of ethical behavior—that facilitate the development of strategy as well as day-to-day decisions business people must face.

Part 3 examines how corporations and professional accountants can develop sound ethical accountability, governance and management systems that respond to the new ethics expectations.

- Chapter 5 covers those issues, expectations, and ethical culture-promoting systems that directors and executives should understand in order to discharge their duties successfully in the modern era.
- Chapter 6 deals with the roles and functions of professional accountants in the new accountability system for corporations, as agents of ethical accountability, as experts in the development of ethical accountability and governance mechanisms, and as professionals who should be demonstrating professional skepticism. Both Chapters 5 and 6 cover the identification, assessment, and management conflicts of interest, and other key elements of a modern ethics-oriented governance system.

Part 4 deals with a set of extremely important issues that directors, executives, and professional accountants need to understand and develop a facility with in order to avoid serious pitfalls and to take unique opportunities that others will miss. The last chapter of the book provides an overview of one of the most pressing ethical and economic problems of our lifetimes that we will all suffer from, and all should learn from.

- Chapter 7 deals with the super critical areas of ethics risk and opportunity management, effective stakeholder management, corporate social responsibility performance and reporting, workplace ethics, motivation and avoidance of fraud and white collar crime, ethics for international operations, and ethical crisis management.
- Chapter 8 written in November 2008, reviews the *subprime lending fiasco* and presents an ethical analysis of this latest ethical disaster to influence the world negatively. Lessons drawn from the ethical analysis are presented to provide a platform for discussion and learning so that future problems can be avoided. In its own way, this chapter provides a summary application of the material covered in earlier chapters.

Each chapter presents an interesting selection of cases, and a useful list of references.

In addition, numerous references are made in the margin where a website link/reference or a downloadable file is available on the *Business & Professional Ethics* website at **www.cengage.com/accounting/brooks**. The *BPE* website is updated continuously with new information, notes, and website links of interest.



Improvements to the Fifth Edition

Building on the strong foundation developed in the earlier four editions, the new edition has been thoroughly updated, benefiting significantly from:

- The contributions of a new coauthor, Paul Dunn.
- A new chapter (Ch. 3) on Philosophers' Contributions to Ethical Behavior.
- A new chapter (Ch. 8) on the Subprime Lending Fiasco that has triggered a credit freeze that has led to a downturn in economies around the world.
- Full integration of international (IFAC) ethical standards to which the world is harmonizing in Chapters 4 and 6.
- Enhanced treatment of Corporate Social Responsibility in Chapter 7.
- New section on Fraud and White Collar Crime in Chapter 7.
- Many new cases.
- New or revised material on:
 - The globalization of business and professional ethics
 - Enron updates
 - Philosophers' contributions to ethical behavior
 - Modifications and improvements to practical decision making approaches
 - Examples of philosophical and practical decision making approaches
 - Ethical corporate cultures
 - Alternative governance theories
 - Integration of international (IFAC) ethical standards
 - Corporate social responsibility
 - Motivations for fraud and white collar crime, including an analysis of a real case.

The fifth edition includes many new cases including the following:

Ch. 1 Ethics Expectations

- China's Tainted Baby Milk Powder
- The Ethics of Bankruptcy: Jetsgo Corporation

Ch. 3 Ethical Behavior—Philosophers' Contributions

- Terrorist Payments

Ch. 5 Corporate Ethical Governance & Accountability

- Manipulation of MCI's Allowance for Doubtful Accounts
- Stock Options & Gifts of Publicly Traded Shares
- The Ethics of Repricing and Backdating Employee Stock Options
- Siemens' Bribery Scandal
- Société Générale' Rogue Trader

Ch. 6 Professional Accounting in the Public Interest, Post-Enron

- Livent—When Maria . . . When?

Ch. 7 Managing Ethics Risks & Opportunities

- | Walt Pavlo's MCI Scams/Frauds
- | The Need for Skepticism, Courage & Persistence

Ch. 8 Subprime Lending Fiasco—Ethics Issues

- | Mark-to-Market Accounting and the Demise of AIG
- | Subprime Lending—Greed, Faith & Disaster
- | Moral Courage: Toronto-Dominion Bank CEO Refuses to Invest in High-Risk Asset-Backed Commercial Paper
- | The Ethics of AIG's Commission Sales



Importantly, the *BPE* website, www.cengage.com/accounting/brooks, is constantly expanding to include helpful references such as video clips of major events, and brief summaries of key books on ethical matters.

As well, the *BPE* Instructor's Manual, which is available online, has been augmented to provide sample examinations and the discussion of successful, innovative usage of the book by satisfied instructors.

Acknowledgments

| By Len Brooks

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To my former colleague, Max Clarkson, I owe a debt of gratitude for providing the initial platform and encouragement for development and exercise of my ideas in the classroom and as a consultant, and the stimulation to search for new ideas to contribute to our discipline.

To my mother and my father, who was a CA, CGA, CMA, and CPA, I owe my understanding of values and my interest in pursuing them.

To my wife, Jean, for her continued support, and for their forbearance my children, Catherine, Len, Heather, and John, their spouses or significant others Christina, Gabe, and Rob, and to my grandchildren Bianca, Willow, Mya, and Owen, I owe my love and respect.

| By Paul Dunn

I am grateful to those who taught me so much in university, in particular, Larry Lynch and Edward Synan at the University of St. Michael's College in Toronto, and James Post at Boston University. They provided me with the grounding I needed in philosophy and business; they showed me how good teachers motivate and encourage learning in students; they also graced me with their friendship. Ross Dunn's life demonstrated how ethics and business could be successfully linked together. I have been fortunate to have received extremely helpful suggestions on many of the new cases in this volume from Alan Gardner and Paul Singleton, as well as Peter Thor and the discussions with his family at the Cottage.