



UNIVERSITI TEKNOLOGI MARA

**WHAT HAPPENED TO ETHICS  
IN THE ACCOUNTING AND BUSINESS WORLD ?**

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## ABSTRACT

The ethical development of today's managers is an area of recent major concern. The press has published numerous reports of the unethical conduct of top executives on the recent corporate scandals in Malaysia. This has heightened public concern regarding the question of ethics involving the accounting profession and the business community.

There is now increased awareness that greater attention should be given to dealing with ethical values and issues, upholding professionalism, and maintaining higher ethical standards by the business community. In fact, one of the strategic challenges of Vision 2020 is that of establishing a fully moral and ethical society.

Increasing concern with business and professional ethical behavior has prompted this study to explore the perceptions of students and accounting lecturers on the need for incorporating ethics into ITM Accounting and Business curricula with particular references to ITM Cawangan Sarawak.

## TABLE OF CONTENTS

	<b>Page</b>
<b>ACKNOWLEDGEMENTS</b>	<b>(iv)</b>
<b>ABSTRACT</b>	<b>(v)</b>
<b>LIST OF TABLES</b>	<b>(viii)</b>
<b>CHAPTER 1: Ethics</b>	
1.1 Introduction	1
1.2 Preview	2
1.3 Objectives Of The Study	2
1.4 Research Methodology	3
1.5 Limitation of The Study	4
<b>CHAPTER 2: Literature Review</b>	
2.1 What are Ethics	5
2.2 Ethics And The Business World	7
2.3 Needs for Ethics Education	12
2.4 Past Study on Ethics Education	15
<b>CHAPTER 3: Data Collection</b>	
3.1 Primary Data	18
<b>CHAPTER 4: Findings</b>	
4.1 Introduction	21
4.2 Level Knowledge About Ethics	21
4.3 Needs For Ethics Education	23
4.4 Ways To Teach Ethics	31
4.5 Best Expertise To Teach Ethics	32
4.6 Problems Faced In Incorporating Ethics In The Syllabus	34
<b>CHAPTER 5: Conclusion</b>	35
<b>REFERENCES</b>	36

## **1.1 Introduction**

The importance of ethics and the need for its increased coverage in accounting and business courses have attracted the attention of several researchers (Loeb and Rockness,1992; Loeb,1991; Lim and Teoh , 1993; McNair and Edward, 1993).

Recent scandals or crimes which involve corporate scandals have increased. For example, a Hock Hua Bank executive (New Straits Times, K.L-Bernama dated 14/1/92) was convicted of criminal breach of trust, a bank officer of Mayban Finance was convicted of criminal breach of trust and cheating.(Sarawak Tribune, see Appendix III ). Most of them, if not all of them, are related in some ways or other to ethical behavior involving the accounting professional and business community. There is now increased awareness that greater attention should be given to dealing with ethical values and issues, upholding professionalism, and maintaining higher ethical standards by the business community.

In fact, one of the challenge of Vision 2020 is that of establishing a fully moral and ethical society. Hence it would be relevant to study whether incorporation of the study of ethics into the accounting and business curricula would provide a positive, viable and meaningful response to this challenge.

This study explored this proposition by seeking the perceptions of students and accounting lecturers on the need for teaching ethics in the accounting and business curricula, the type of expertise required to conduct the courses and the preferred instructional mode.

## LITERATURE REVIEW

### 2.1 What are Ethics ?

Who determines what is ethical and what isn't ? Why has it become a very important buzz word in our business lives. If we were to ask these questions to thousand of people, we would get many different answers, all of which could be correct.

Ethics is a real concern. It is not a law. Nor is it public relations, with all the associated worries about corporate image. Nor is it religion or apple pie. So what is ethics? It relates to law and to moral codes of conducts.

As defined by the Oxford dictionary "ethics" is a system of moral principles, rules of conduct, science of morals'

Fowler (1994, p29) states that "Ethics is the study of good and bad, right and wrong and moral and immoral behavior".

Albeit Einstein states the following statement :-

*"It is not enough to teach a man a specialty. Through it he may become a kind of useful machine, but not a harmoniously developed personality. It is essential that a student acquires an understanding of ethical values and a lively feeling for such values. He must acquire a vivid sense of the beautiful and of the morally good. Otherwise he, with his specialized knowledge more closely resembles a trained dog than a harmoniously developed person. He must learn to understand the motives of human beings, heir, illusions, and their sufferings in order to*