

Glencoe Accounting

Chapter 29: Ethics in Accounting

I-Summary

Ethics play an important role in our personal relationships and in the business world. In this chapter, you learned how business ethics practices are developed and how ethical behavior benefits individuals, businesses, and society. You learned that accountants are expected to adhere to the principles of integrity, objectivity, independence, competence, and confidentiality to maintain the public's trust in the accounting profession.

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I-Quiz

1. What is the principle that requires accountants to choose right over wrong?
 - A. integrity
 - B. competence
 - C. confidentiality
2. What is a code of ethics?
 - A. a section of law that defines ethical business practice
 - B. rules established by Congress
 - C. a formal policy of rules and standards
3. Which employee is most likely directly responsible for the enforcement of a code of ethics?
 - A. chief of security
 - B. ethics officer
 - C. CFO
4. If an accountant is fully qualified to perform a task for a client, which principle has been followed?
 - A. objectivity
 - B. integrity
 - C. competence
5. Which of the following is NOT a goal of the ethical accountant?
 - A. to avoid harm to stockholders
 - B. to optimize the interests of the company
 - C. to adhere to universal standards of what is right

Answer Key

1. A
2. C
3. B
4. C
5. B