

Test Bank
Ethical Obligations and Decision-Making in Accounting: Text and Cases, Sixth Edition
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Chapter 1

1.

Award: 10.00 points

What is the common characteristic of Aristotle's virtues and ethical standards for CPAs?

- ☐ truthfulness
- ☒ integrity
- ☐ loyalty
- ☐ due care

References

Multiple Choice Difficulty: 1 Easy

Learning Objective: 01-01 Discuss the relationship between ethics, values, and ethical decision making.

2.

Award: 10.00 points

Jane finds a material misstatement while auditing a client's accounts receivables. Her senior tells her to ignore the misstatement so that the client does not get upset. Jane wants to be viewed as a team player in order to advance in the firm, so Jane follows her senior's instructions and ignores the misstatement. Which ethical theory did Jane use to make her decision?

- ☒ egoism
- ☐ justice
- ☐ virtue ethics
- ☐ utilitarianism

References

Multiple Choice	Difficulty: 2 Medium	Learning Objective: 01-03 Differentiate between moral philosophies and their effect on ethical reasoning in accounting.
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3.

Award: 10.00 points

Which of the following situations would be considered ethical?

- ☐ The cashier at Wal-Mart gives you \$5 more than you were supposed to receive and you don't do anything about it.
- ☒ You accidentally back into a car at Wal-Mart and leave your information for them to call.
- ☐ You receive fake \$20 bills and use them in a store while knowing they are fake.
- ☐ You find a phone in a restaurant and keep it.

References

Multiple Choice	Difficulty: 2 Medium	Learning Objective: 01-02 Explain how characteristic traits of behavior influence ethical decision making.
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4.

Award: 10.00 points

Which of the following characteristics does *not* describe the importance of integrity in decision making?

- ☐ Acting out of moral principle
- ☐ Being loyal to one's superior
- ☐ Having the courage to do the right thing
- ☐ Not subordinating professional judgment to others

References

Multiple Choice Difficulty: 2 Medium Learning Objective: 01-01 Discuss the relationship between ethics, values, and ethical decision making.

5.

Award: 10.00 points

Which of the following characteristics does *not* describe the behavior of Cynthia Cooper in the WorldCom fraud?

- ☐ persistence
- ☐ competence
- ☐ integrity
- ☐ conformity

References

Multiple Choice Difficulty: 2 Medium Learning Objective: 01-01 Discuss the relationship between ethics, values, and ethical decision making.