

Ethics Assignment
Recommended Answers
(For instructors only... do not make available to your sections)

Questions

1. Identify and briefly explain three negative consequences Carolyn might face by purchasing the resources from an online auction or some source other than the original vendor. Which one do you think would be the most negative and why?
 - a. Students are only required to provide three negative consequences, but six are suggested here. When it comes to identifying the most negative, the explanation is more important than anything else, unless a student has identified something that's not really a negative consequence.
 - Purchasing the materials from an unauthorized seller might expose her computer to spyware, malware, or computer viruses. The potential impact of this could be losing everything that is on any computer on which the software is installed. It could also result in identify theft.
 - Purchasing counterfeit materials might not prepare her adequately for the CPA exam. If the materials are inaccurate or out of date, Carolyn might not be properly prepared to take the CPA exam. This would result in her having to take parts of it again, and that would delay her ability to progress in her profession. The income and opportunities that she would lose would almost certainly be far greater than the amount she would save by not purchasing the materials directly from the source.
 - Purchasing the materials from an unauthorized seller might support illegal activities. Even if using the materials had no direct negative impact on Carolyn, it would provide money to someone who was breaking the law by violating a copyright. It is possible that the additional funds could support more widespread violation of copyrights. While that might not impact Carolyn either, it could make the companies that create the resources to help students prepare for the CPA exam decide that this particular segment of their business is no longer viable. As a result, they would exit the business, and future accounting students would not have similar resources available to them. Another possible consequence could be that, in the future, the only people who could access any preparation materials would be those who worked for large accounting firms.
 - Purchasing the materials from an unauthorized seller violates the distributor's license agreement. As mentioned in the answer to Discussion Question 1, anyone who purchases these materials from a third party must know that the materials are copied, counterfeit, or being resold. This could make the purchaser potentially guilty of copyright infringement and potentially subject to civil and criminal action.
 - Purchasing the materials from an unauthorized seller would make Carolyn feel guilty. Even if Carolyn is able to prepare adequately for the CPA exam using materials from another source, she might feel guilty later. She might even doubt whether she actually deserved to pass. It is unlikely that these materials would have given her an advantage over materials purchased directly from the source. However, feelings of guilt might occur whenever she makes a mistake in the course of her profession, which is something that everyone does from time to time. In cognitive psychology theory, "guilt is an emotion that people experience because they're convinced they've caused harm" (Whitbourne, 2012). In this case, the harm would be harm to Carolyn as well as any clients or coworkers.

- Purchasing the materials from an unauthorized seller would make Carolyn fear being caught. Unless the purchase is a cash purchase from a seller who keeps no record of the transaction—which brings up another set of potential issues—there will be proof somewhere that Carolyn purchased the materials in violation of the publisher’s copyright. This could haunt Carolyn for many years.
2. Explain why you think it would be justifiable for Carolyn to purchase the materials from an online auction or other source.
 - a. This question will give students a dilemma of their own. Even if a student argues that purchasing the materials from an online auction or other source is not illegal, it more than likely supports activities that are illegal.
 - One reason that Carolyn might justify using materials purchased from the alternate source is that she would not be able to afford the materials otherwise. At a price greater than \$3000, Carolyn would be—according to the case—spending the equivalent of one month of her parents’ income. The company that prepares the materials would not receive any income from her in any case because of its high price. She could even argue that the problem lies with Becker and other companies for pricing their products so high that she could not afford it.
 - Another justification that Carolyn could use is that others are using the materials and will continue to use the materials whether she does or not. Why should they or people whose companies provided the materials to them free of charge have an advantage over her?
 3. Other than Carolyn, Becker, and other sellers, identify three stakeholders who would be impacted by the decision that Carolyn makes, and explain how each of these stakeholders would be affected.
 - a. The following bullet points provide a list of stakeholders that might come to students’ minds and the impacts Carolyn’s decision will have on them:
 - Carolyn’s parents. Because her parents had assisted her with the cost of her education and were apparently willing to help with the cost of these materials, they should be an obvious stakeholder. Obtaining the resources at a deep discount would be a huge financial help to her parents. In addition, Carolyn’s ability to pass the CPA exam, obtain a higher salary, and progress in her profession faster would provide her with financial independence more quickly. However, they might not approve of her obtaining materials from a source that was not trustworthy, and they would be impacted negatively if she were investigated for violating a copyright. Further, if the materials she obtained were out of date or inaccurate, it would affect Carolyn’s ability to pass, and that would have a negative impact on her parents.
 - Carolyn’s university. Universities and their programs are often judged by the performance of their graduates on exams like the CPA exam. As the case stated, the CPA designation is the “gold standard” in the accounting profession and is often used to differentiate candidates applying for jobs. If Carolyn and her former classmates pass the CPA exam, they will get better jobs, and that will be a positive reflection on the accounting program of their alma mater. In addition, the program might publicize the high pass rates of its past graduates, and that would allow it to attract even better students in the future. However, if she uses materials that do not actually prepare her for the exam, her performance would reflect negatively, not only on her, but also on the program from which she received her degree.
 - Carolyn’s future employer. Carolyn’s ability to pass the CPA exam will make her more valuable in the job market. As the case mentioned, becoming a CPA will give

her access to other professionals, professional resources, and guidance when faced with professional and ethical dilemmas. It will also allow her to provide public accounting services, and this will allow her employer to assign her to tasks that it probably anticipated she would be able to fulfill when she was hired. While her ability to do those tasks would probably not be compromised by using materials purchased from a third party to prepare for the CPA exam, her decision to do so could reflect negatively on her employer if she is connected to someone else's piracy of software. This could lead others to wonder about the process the firm uses in vetting and hiring its accountants.

- Carolyn's future clients. Once Carolyn becomes a CPA, she will have clients who depend on her to be competent, ethical, and confidential with their information. Anything that compromises the trust they have in her could make them question the work that she has done for them in the past and how ethical and confidential she has been. This would have a negative impact on her future clients.
- The accounting profession. As Carolyn remembered from one of her classes, "the entire [accounting] profession is dependent on the public's perception of the integrity of accountants and their adherence to a professional code of ethics." Violating a copyright is unethical and potentially illegal, and it also violates the code of ethics of the accounting profession. If she decides to purchase the review materials from a third-party source, she will have compromised her ethics. If she can justify her actions in this case, where else might she rationalize compromising her integrity?
- Future accounting students. If mass copying occurs, software vendors could decide to exit the market or raise their prices to make up for the lost revenue from the piracy. This would it harder for future students to access the resources needed for the next generation of accounting professionals.
- Third party sellers. If Carolyn decides to purchase from a company that sells used materials, her decision will have a positive impact on them. She will be contributing to their current revenues and possibly to their ability to continue or expand their activities. While this has a positive impact on the seller, it has a negative impact on the companies that develop and sell the materials, because they are not getting paid for their work. In addition, it gives the third-party sellers the ability to expand their sales to other students. It could affect those students positively if they are getting accurate materials at a discount, but it could affect them negatively if they are getting outdated or inaccurate materials.

Reference:

Whitbourne, S. K., Ph.D. (2012, August 12). The Definitive Guide to Guilt. Retrieved from: <https://www.psychologytoday.com/blog/fulfillment-any-age/201208/the-definitive-guide-guilt>.