

ACC – Ethics and Deontology

T038

Thursday, 17/11/2016

08:30 – 11:30

WORKFORCE DEVELOPMENT AUTHORITY



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**ADVANCED LEVEL NATIONAL EXAMINATIONS, 2016,
TECHNICAL AND PROFESSIONAL STUDIES**

EXAM TITLE: Ethics and Deontology for the Accountant

OPTION: Accountancy (ACC)

DURATION: 3 hours

INSTRUCTIONS:

The paper is composed of **three (3) main Sections** as follows:

Section I: Thirteen (13) compulsory questions. 55 marks

Section II: Attempt any three (3) out of five questions. 30 marks

Section III: Attempt any one (1) out of three questions. 15 marks

Note:

Every candidate is required to carefully comply with the above instructions. Penalty measures will be applied on their strict consideration.

Section I. Thirteen (13) Compulsory questions

55 marks

- 01.** Differentiate ethics from deontology. **4marks**
- 02.** Give five reasons explaining why is the study of business ethics important. **5marks**
- 03.** Provide any four most important ethical issues that must a business deal with. **4marks**
- 04.** List any six qualities of a good professional accountant. **6marks**
- 05.** As a business ethicist, suppose six months after you hired an assist accountant who has been working competently and responsibly, you learn that she departed from the truth on her employment application: she claimed she had a college degree when she didn't. You are her manager; what should you do? **3marks**
- 06.** Explain the following fundamental principles of professional ethics for Accountants:
- a) Objectivity
 - b) Professional competence and due care
 - c) Confidentiality
 - d) Professional behaviour
- 07.** List any five importances of business ethics. **5marks**
- 08.** What is meant by social responsibility and social responsiveness? **2marks**
- 09.** Identify any four points of view of the social responsibility in a business. **4marks**
- 10.** Define a code of ethics? **2marks**
- 11.** List out five functions of code of ethics in the society or with regards to the company and environment. **5marks**
priligense *Nature Experience*
- 12.** Describe any five sources of ethics fund in Rwandan society. **6marks**
- 13.** Provide at least five ethical thinking practices for a professional accountant. **5marks**

Section II. Choose and answer any three (3) questions.

10marks each

14. Most of organizations fail as a result of poor corporate governance. Define corporate governance and indentify the main causes of governance problems. tax
15. Which of the professional qualities has the accountant in the scenario below failed to display?
“An accountant found substantial financial misstatements during the audit of a major client who provides their practice with 55% of its total audit fee income. The relationship between the practice and the client has been strained recently and because of this the accountant ignored the misstatements and ensured the client stayed with the firm”.
16. Differentiate a Code of Ethics from a Code of Conduct.
17. Discuss the importance of Code Expectations and Awareness.
18. Communication, Respect, Integrity, and Excellence have been extracted from the code of ethics of a business organization as being the core values.
Explain the above organization core values.

Section III. Choose and answer any one (1) question.

15 marks

19. Creating a Code of Conduct requires input from top-level executives, corporate lawyers, and human resource personnel. The code should address the wide range of legal expectations and ethical risks unique to the organization or job title. You have been contacted to assist in the designing of a code of conduct of a business entity and you have recommended that the Code of Conduct address the following: Conflicts of Interest, Corporate Opportunities, Confidentiality, Fair Dealing, Protection and Proper Use of Assets, Encouraging the Reporting of Any Illegal or Unethical Behavior.
Discuss the above recommended content of code of conduct.
20. Ethical conflicts occur as a result of tensions between four sets of values: ✱
Societal values, Personal values, corporate values, Professional values.
Provide examples to illustrate how tensions between sets of values can be created.

21. You have been asked to cover the duties of one of your colleagues while he is on holiday. One of his duties is to distribute the management accounts to the department managers a few days before they hold the monthly accounts meeting. Before he left, your colleague told you, 'Just print off the accounts and put them on each manager's desk'. You did as advised and few days you have been accused to commit an unethical behaviour.

Which principle should have been breached in the above scenario?