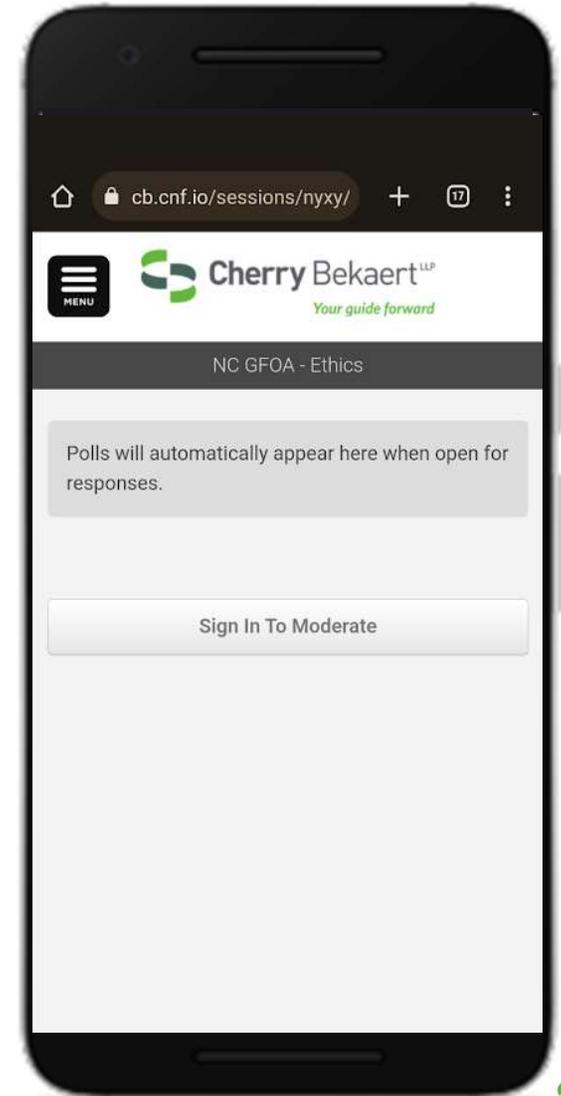
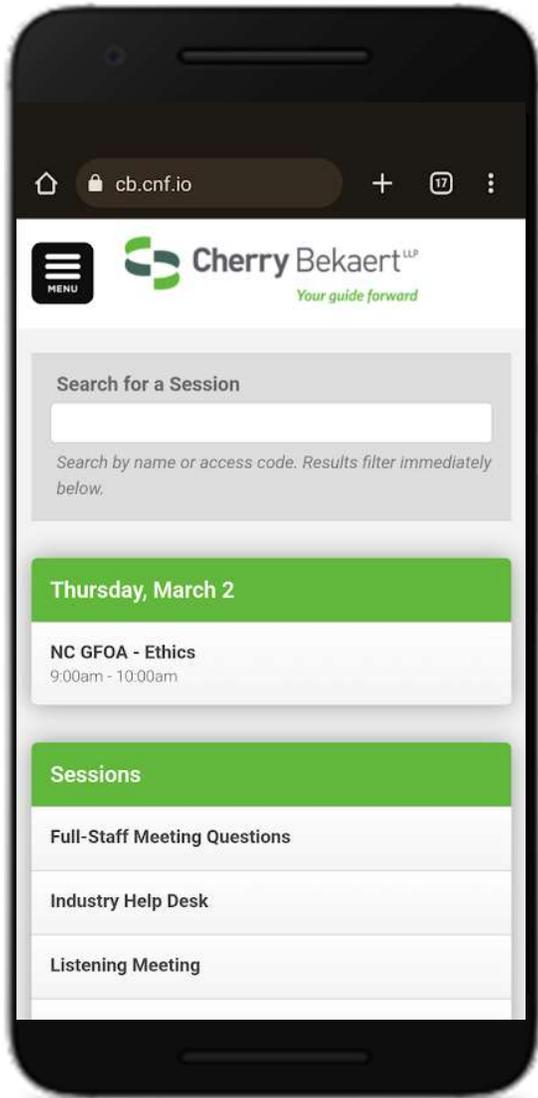


Ethics – The Evolving Definition of Good

Jonathan Kraftchick, CPA
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cb.cnf.io



Our Focus Today

Traditional ethics

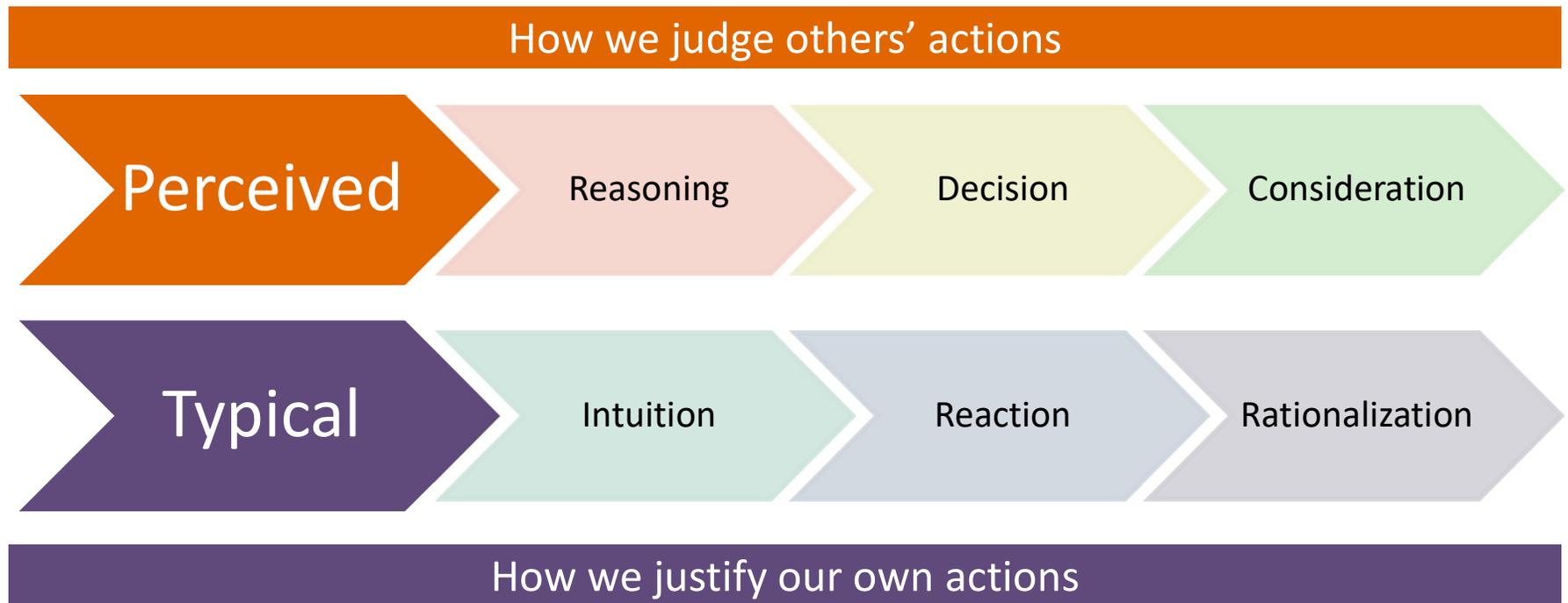
VS

Behavioral ethics



Ethics is less about the right thing to do in any given situation and more about the person you want to be.

Responding to a Dilemma



An Unexact Science

Curt Baker, 56; his wife Ann, 44, have two children--Roy, 19, a full-time college student, and Meg, 4. The couple owns their own home, which they refinanced this year.

Ann switched jobs and made \$80,900 and inherited \$30,500. Curt made \$30,831 in Schedule C income and also received a \$60,000 lump-sum payout from his 401(k) when he retired. The Bakers' investments include a mix of stocks, bonds and mutual funds totaling \$21,298 in interest, dividends and capital gains.

Money Magazine and USA Today ran separate surveys of 45 tax professionals asking for the tax liability of a hypothetical US family.

These 45 tax professionals gave 45 different tax liabilities ranging from \$36,322 to \$94,438.

The Tainted Self-Concept

▶ Divided female MBA students into 3 conditions:

1. Authentic sunglasses 30%

2. Fake sunglasses 74%

3. No information 42%



▶ Does a negative or positive self-concept affect cheating?
If so, which is more powerful?

**When facing an ethical dilemma,
what's more important?**



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: When facing an ethical dilemma, what's more important?

Only the individual knows

MOTIVATION

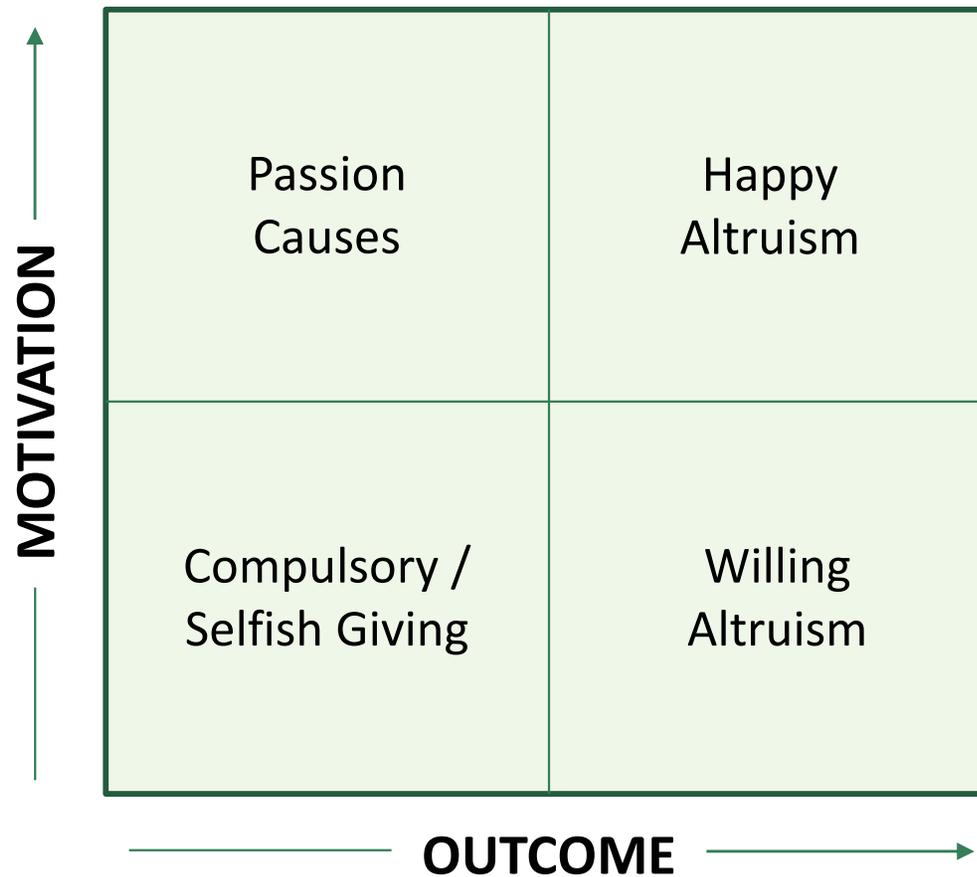
How we feel

Very little focus or biased calculation

OUTCOME



Only the individual knows



Very little focus or biased calculation



Liar, Liar Pants on Fired

During an interview, a candidate, Dexter, says he was laid off. He seems qualified and responsible, and you give him an offer. Three months go by and Dexter is doing a fantastic job. Janet, a coworker in another office, sees you and Dexter at an annual company conference. Later that night, Janet mentions she used to work with Dexter at her previous firm and says he wasn't laid off, but was actually fired.



**Does Janet's statement affect
your view of Dexter?**



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Poll: Does Janet's statement affect your view of Dexter?

As a consumer, do you have a high level of trust in large corporations?

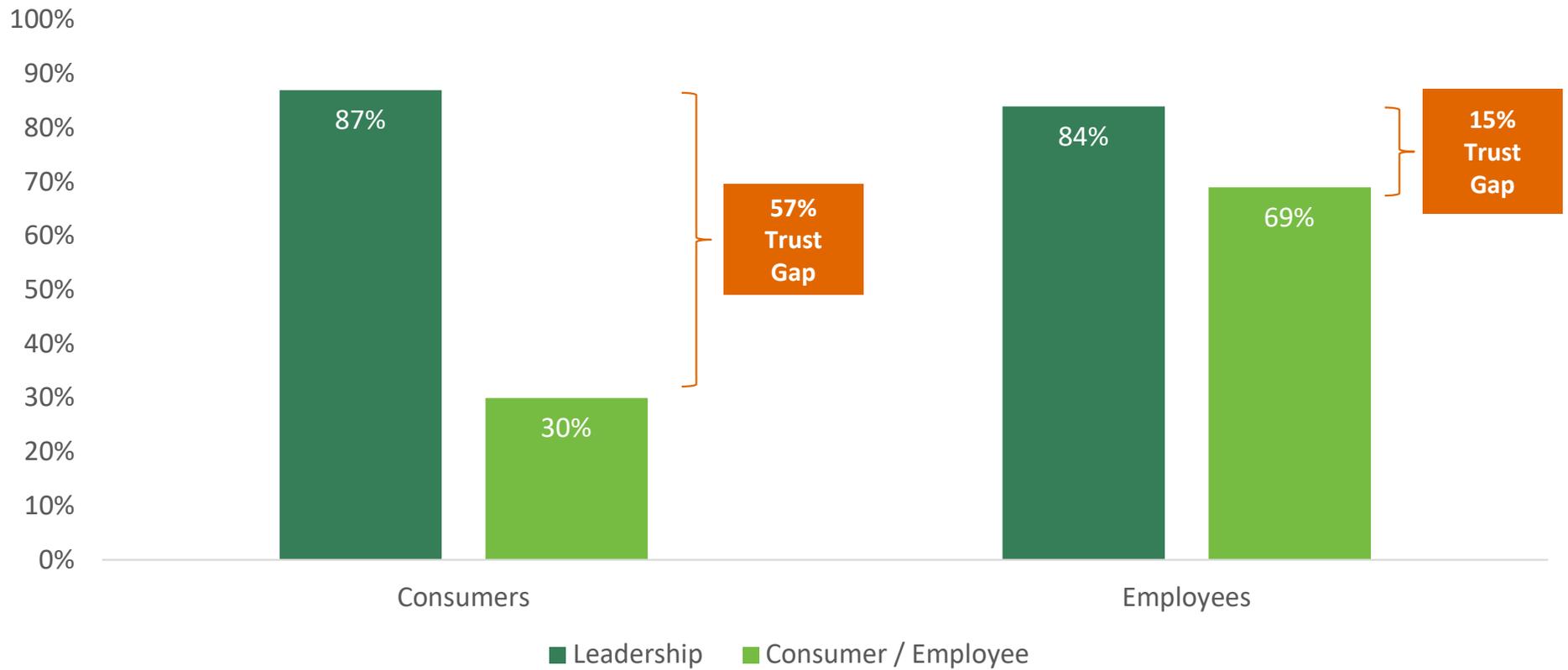


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Poll: As a consumer, do you have a high level of trust in large corporations?

The Trust Gap



Nobody is ever the villain in their own narrative. If someone takes actions that threaten to paint them as a bad person, they are more likely to change their opinion of what's right and wrong, rather than change their opinion of themselves.

Dr. David Solomon, Boston College

Role Morality

Giving yourself permission to do something less ethical because of the role you have.

Dealing with Drugs

- ▶ ABC Drug Company's internal studies indicate that its most profitable drug causes 14-22 "unnecessary" deaths each year. Competitors offer a safe medication with the same benefits at the same price. If regulators knew of the internal study, they would ban sale of the drug. ABC has buried the study.
- ▶ Is it ethical for ABC to continue to sell the drug?



**Is it ethical for ABC to continue
to sell the drug?**



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Is it ethical for ABC to continue to sell the drug?

Dealing with Drugs

- ▶ ABC Drug Company's internal studies indicate that its most profitable drug causes 14-22 "unnecessary" deaths each year. Competitors offer a safe medication with the same benefits at the same price. If regulators knew of the internal study, they would ban sale of the drug. ABC has buried the study.
- ▶ 97% say ABC should stop selling the drug. But...



Dealing with Drugs

- ▶ ABC Drug Company's internal studies indicate that its most profitable drug causes 14-22 "unnecessary" deaths each year. Competitors offer a safe medication with the same benefits at the same price. If regulators knew of the internal study, they would ban sale of the drug. ABC has buried the study.
- ▶ When asked to play the role of ABC directors, **100%** of 57 different groups said ABC should continue to sell.



[best of craigslist](#) > [SF bay area](#) > I need someone to take CPA Ethics test for me

Originally Posted: Thu, 3 Jan 22:08 PST

I need someone to take CPA Ethics test for me

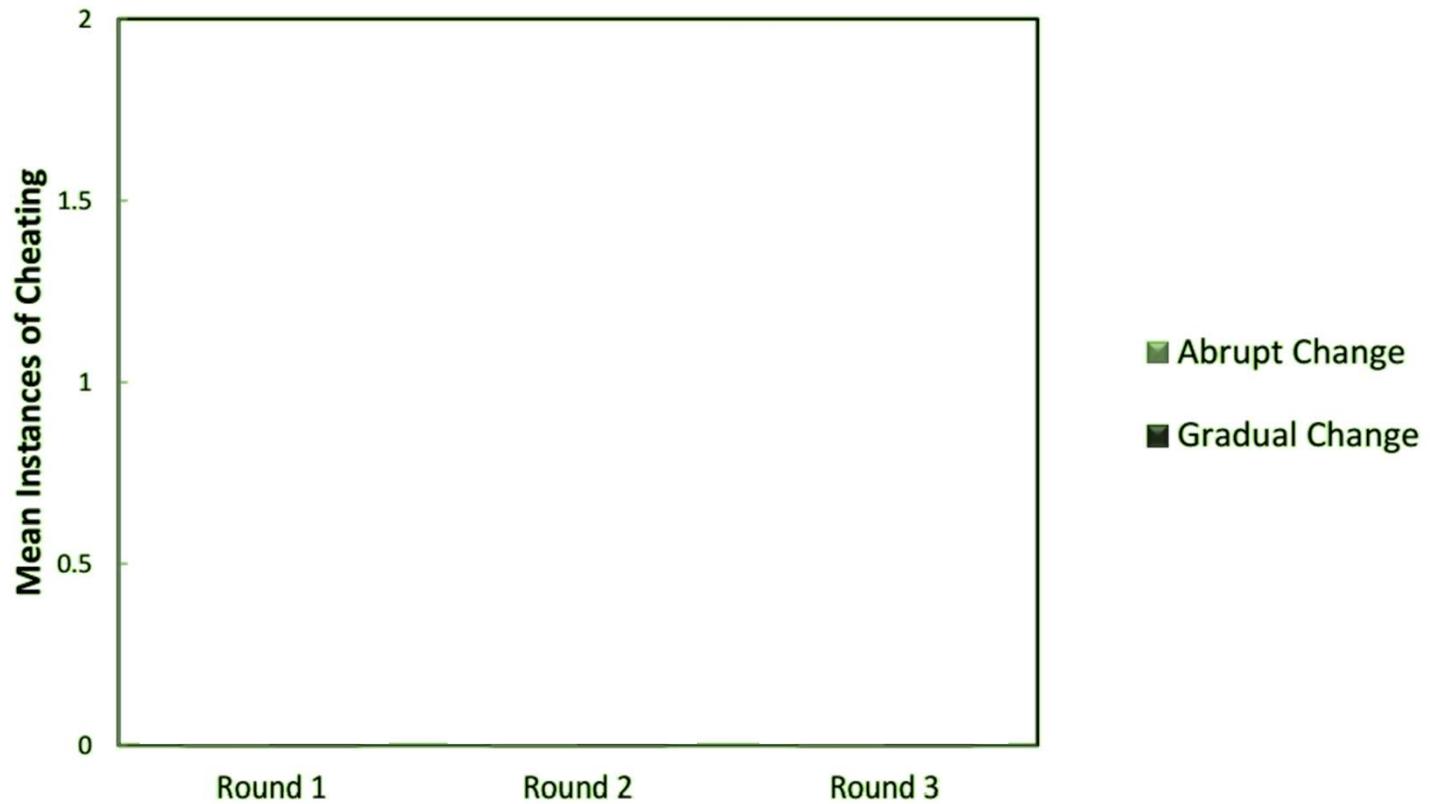
Local CPA candidate has no time to study; will PAY you to take the ethics exam for me! Serious replies, only. You must have passed test in California within last two years.

Posting ID: 2530187

[email to a friend](#)

So this happened...

Studying the Slippery Slope



You get to here, so it must be okay to go to here. And if you're here, it surely is okay to go here. It's really fuzzy where you cross the line...At what point do you cross the line where the act becomes illegal? I don't know.

CAO convicted of financial statement fraud

You did it once, it smelled bad. You did it again, it didn't smell bad.

Rick Causey, CAO, Enron

You knew it was wrong deep down
inside, but if they're saying it's okay,
then hey, well...

Private Lynndie England

Golf & Taxes

The income tax code
has created more
cheaters than golf has.

-Will Rogers



How likely is the average golfer to illegally improve their lie?

With a golf club



With their foot



With their hand



Do you trust me?



How trusting are you?



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: On a scale of 0-100, how much do you trust people? (0 being no trust, 100 being completely trusting)

Live Content Slide

When playing as a slideshow, this slide will display live content

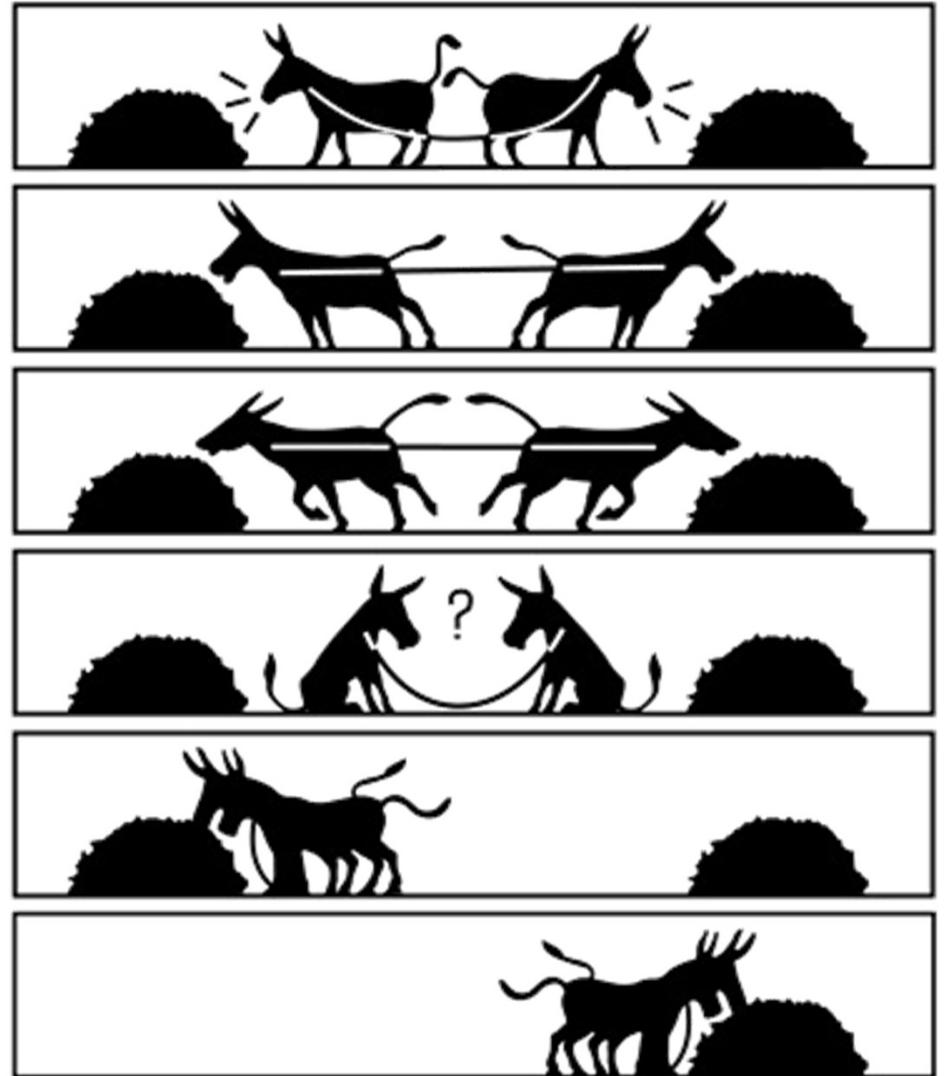
**Poll: On a scale of 0-100, how trustworthy are you?
(0 being not at all, 100 being completely
trustworthy)**

Ubuntu – I am because we are

An anthropologist proposed a game to children of an African tribe. He put a basket of fruit near a tree and told the kids that the first one to reach the fruit would win them all. When he told them to run, they all took each others' hands and ran together, then sat together enjoying the fruits.

When asked why they ran like that, as one could have taken all the fruit for oneself, they said, "Ubuntu, how can one of us be happy if all the others are sad?"

Trust is just the beginning.



Rules \neq Ethics

Automating Ethics



Is using ChatGPT cheating?



Using ChatGPT, or any other language model or tool for generating text, is not necessarily cheating. However, it is important to use these tools responsibly and to properly credit any generated text that you use in your own work. 👍 🗨️

If you are using ChatGPT or similar tools for academic or professional work, it is important to follow proper citation and attribution guidelines. This typically means citing the source in your work and including a disclaimer stating that the generated text is not your own original work.

In general, it is always important to be honest and transparent about your use of AI tools or resources in your work, and to give credit where it is due.

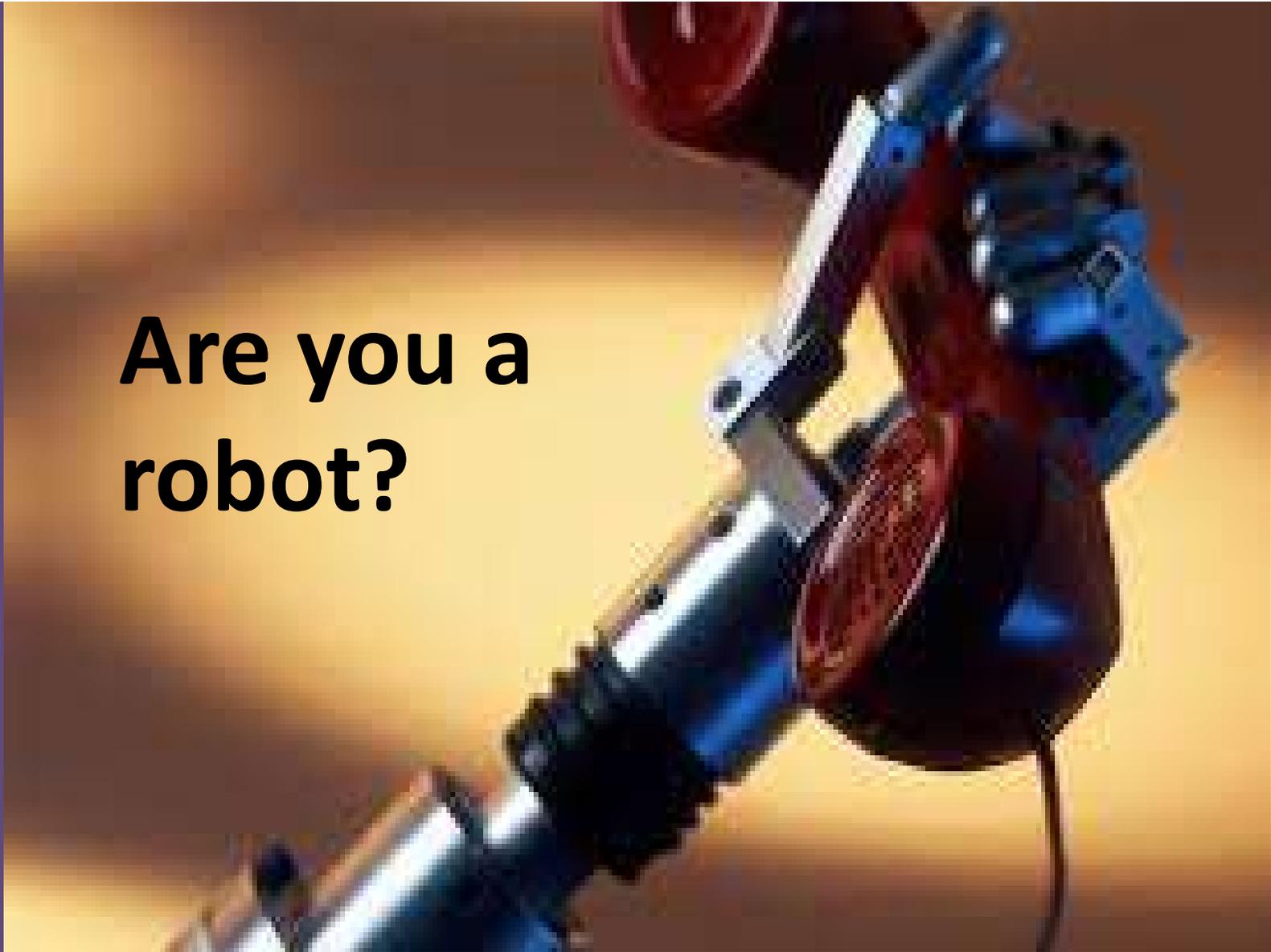
III. AI Policy

I expect you to use AI (ChatGPT and image generation tools, at a minimum), in this class. In fact, some assignments will require it. Learning to use AI is an emerging skill, and I provide tutorials in Canvas about how to use them. I am happy to meet and help with these tools during office hours or after class.

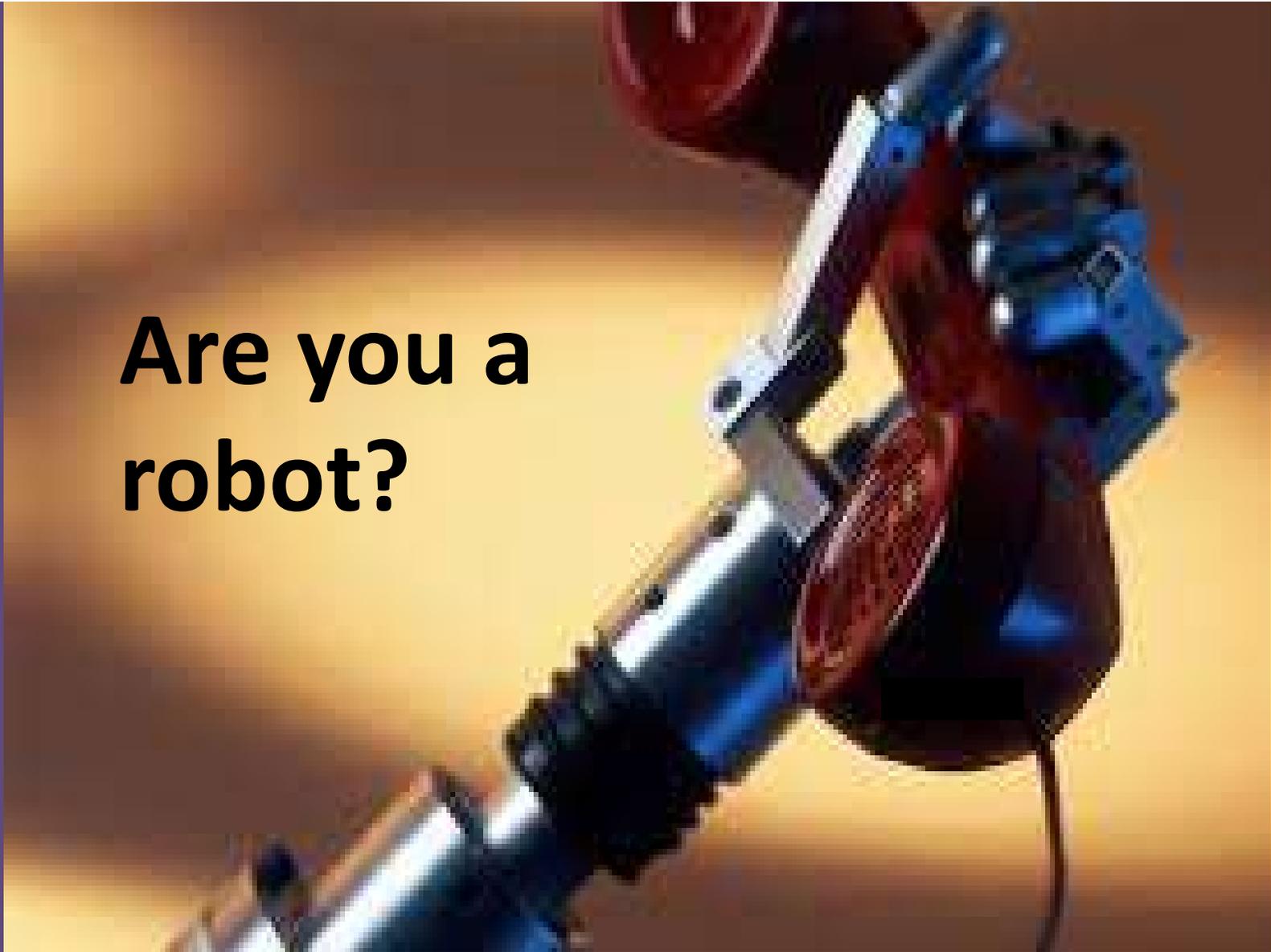
Be aware of the limits of ChatGPT:

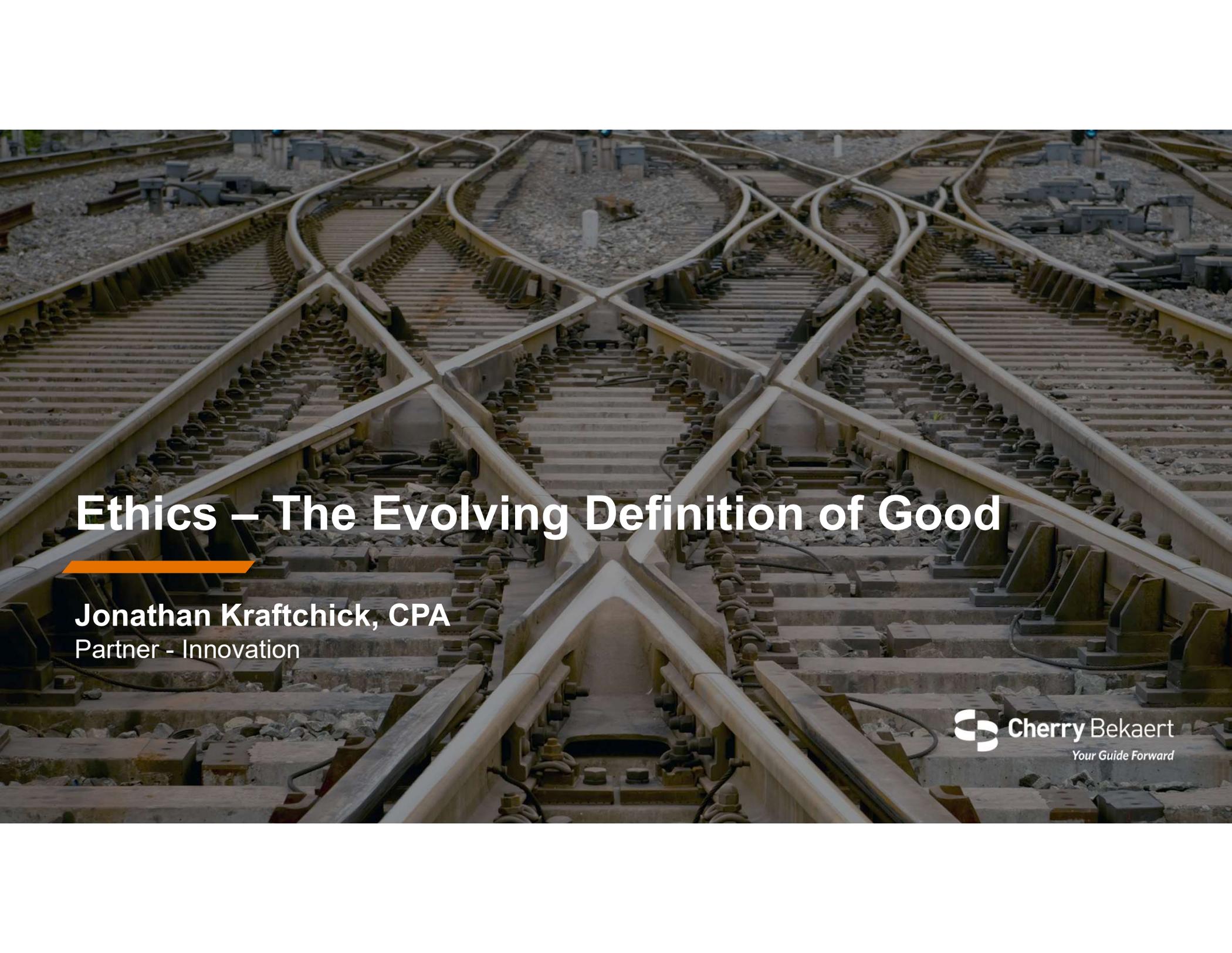
- If you provide minimum effort prompts, you will get low quality results. You will need to refine your prompts in order to get good outcomes. This will take work.
- Don't trust anything it says. If it gives you a number or fact, assume it is wrong unless you either know the answer or can check in with another source. You will be responsible for any errors or omissions provided by the tool. It works best for topics you understand.
- AI is a tool, but one that you need to acknowledge using. Please include a paragraph at the end of any assignment that uses AI explaining what you used the AI for and what prompts you used to get the results. Failure to do so is in violation of academic honesty policies.
- Be thoughtful about when this tool is useful. Don't use it if it isn't appropriate for the case or circumstance.

**Are you a
robot?**



**Are you a
robot?**





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