* **[Assignment: Ethics in Accounting](https://blackboard.strayer.edu/webapps/assignment/uploadAssignment?content_id=_25532057_1&course_id=_232855_1&group_id=&mode=view)**

**Assignment: Ethics in Accounting**

Due Week 9 and worth 120 points

Effective financial reporting depends on sound ethical behavior. Financial scandals in accounting and the businesses world have resulted in legislation to ensure adequate disclosures and honesty and integrity in financial reporting. A sound economy is contingent on truthful and reliable financial reporting.

Instructions:

* + Read the following scenario.
	+ Answer the questions that follow. Your answers should result in a 2-3 page submission.
	+ Reference back to your text book for guidance on how to think through the scenario.
	+ This course requires use of new [Strayer Writing Standards (SWS)](https://blackboard.strayer.edu/bbcswebdav/institution/STANDARDIZED/StrayerWritingStandards/Strayer_Writing_Standards.pdf). The format is different than other Strayer University courses. Please take a moment to review the SWS documentation for details.

*Scenario:*

Imagine you are the assistant controller in charge of general ledger accounting at Linbarger Company. Your company has a large loan from an insurance company. The loan agreement requires that the company’s cash account balance be maintained at $200,000 or more, as reported monthly. At June 30, the cash balance is $80,000. You give this update to Lisa Infante, the financial vice president. Lisa is nervous and instructs you to keep the cash receipts book open for one additional day for purposes of the June 30 report to the insurance company. Lisa says, “If we don’t get that cash balance over $200,000, we’ll default on our loan agreement. They could close us down, put us all out of our jobs!” Lisa continues, “I talked to Oconto Distributors (one of Linbarger’s largest customers) this morning. They said they sent us a check for $150,000 yesterday. We should receive it tomorrow. If we include just that one check in our cash balance, we’ll be in the clear. It’s in the mail!”

Questions

* + What is the accounting problem that the Linbarger Company faces?
	+ What are the ethical considerations in this case? Provide rationale for why these are ethical considerations.
	+ What are the negative impacts that can happen if you do not follow Lisa Infante’s instructions to wait one more day to post the balance?
	+ Who will be negatively impacted if you do comply? Provide a rationale for why these individuals will be impacted.
	+ What is one alternative that you could pursue in this scenario? Support your recommendations with information you learned in this class.

A rubric for the assignment is found [here](https://blackboard.strayer.edu/bbcswebdav/institution/ACC/100/1188/Week%209/Assignment%201%20Rubric.html).