Free case study about ethics financial accounting

Finance, Investment

The organization may benefit and the investors or the users of financial information who rely on the information to make a decision may be harmed. They are likely to be harmed if they make a decision to invest in an organization which has manipulated the financial information. The investors may end up losing their money. The right to know adequate information about the organization which is fair and true is violated. The claims made by the investors for their money may also be violated. The interests of the organization and the statutory requirement to report correct financial information is in conflict. The organization may be willing to manipulate the data for its own benefit. The responsibilities of an accountant is to report true and fair information of the organization. The accountant should not manipulate any data or agree to the demands of the employers to manipulate the data. Professional attitude and principle of integrity should be followed. The accountant is obliged to not do any wrong or agree to do any wrong.

True and fair representation is most ethical and faithful. No manipulation should be involved. Accounting principles should be followed. The report does not represent the situation it claims to describe and it is not free from bias. The most ethical alternative is to report a true and fair statement which is free from bias and does not involve any manipulation or does not mislead. Ethically, the correct way is to follow principle of integrity and professional care and due diligence. The situation should be reported exactly the way it is and no false information should be made a part of it. Only true and correct information based on accounting principles should be made available in such a situation.