

# Accounting of enron

Finance



An employee such as Sherron Watkins can act as a whistle-blower to the outside authorities with regards to the on-goings within the company in the event that the company engages in a breach of law or poses a threat to public interests (Nindya, 2010). Nindya further goes on to note that one should owe their loyalty to the 'parts', which make up the company, and who, as in this case, happen to be the shareholders.

4

The board of directors, as pointed out by Desjardins and McCall (2005), owes its primary responsibility to the shareholders. This means that all the efforts by the board of directors should be aimed at safeguarding the interests of the shareholders in the company. In an attempt to ensure that the board meets these responsibilities, laws can be put in place, for example, and as Nindya (2010) points out, each of the board members can be required to pledge loyalty to the shareholders, with regards to their conduct and not just the company as an entity separate from its shareholders.

5

Government regulators have a responsibility towards business, the market, and the general public. Focusing on business, as argued by Machan (1998), government regulators ensure that individuals are engaged in fair dealing and get value for their money. With regard to the market, Machan (1988) further goes on to note that government regulators should ensure that the market attains its optimum performance and that there are no resulting wastage of resources, as a result of the activities within it.

With regard to the general public, government regulators should aim at ascertaining that the rights of individuals are protected. This seeks to ensure that the rights of each individual are protected within a free market (Machan, <https://assignbuster.com/accounting-of-enron/>

1988).

6

Accounting and law should be viewed as professions since, as Marion (2010) points out, society places high levels of ethical standards on such careers. The difference existing between the two is that, whereas business can be conducted without greatly impacting the public, a profession cannot.