

In technical and ethical issue of financial accounting

Finance



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Ethical Issues of Financial Accounting Ethical Issues of Financial Accounting Accountants have high technical knowledge relating to the general concepts and accounting principles. Accounting duties include the technical accounting skills of processing regular accounting transactions. Accounting managers are responsible for recording all the accounting transaction of each financial year. According to the case study, the accountant faces the technical issue of coercion by his boss to make a contradicting accounting statement in his favor. The transactions have an adverse effect on the financial information of the company because of lack of compatibility in the business accounting reports. A reflection of imperfect information on the financial records can affect the concurrent transactions and cost.

Accountants are guided by a set code of ethics in their roles. Ethical behavior among accountants is vital to prevent fraudulent activities and gain public trust in the management of any business venture (CIMA, 2010). Professionals serving in the accounting department have a great responsibility to the public in general. Public trust emanates mostly on the information given to them by accountants. Based on the case of JINX Magazine Corporation, the operating manager persuades the accountant to fulfil his request by giving a contradicting financial statement. The conduct is against the norms and ethics that should be upheld by accounting professionals. Accountants have an ethical obligation not to present erroneous and conflicting statements intentionally. There is no justification in supported of professional accountants' conduct that defies the rules of accounting. They should not do that irrespective of any compulsion from the authority or other parties.

Furthermore, accountants should observe ethical conduct by maintaining

records that are not falsified.

References

Chartered Institute of Management Accountants (CIMA). (2010). Code of ethics. Retrieved April 3, 2015 from <http://www.cimaglobal.com/Professional-ethics/Ethics/CIMA-code-of-ethics-for-professional-accountants/>