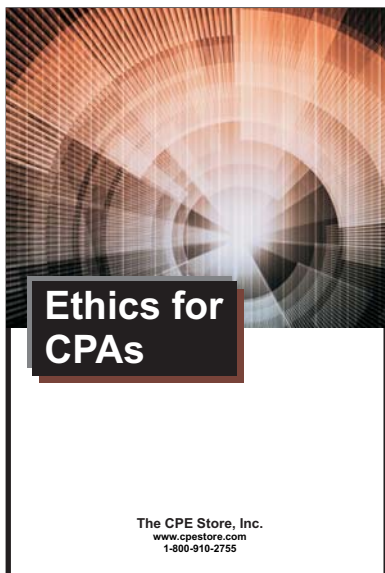


Ethics for CPAs

Course Instructions and Final Examination



**The CPE Store
819 Village Square Drive
Tomball, TX 77375
1-800-910-2755**

Ethics for CPAs

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Course Objectives

After completing this course, you will be able to:

- Explain the different levels of corporate social responsibility
- Recognize the factors that lead to ethical violations
- Identify sources of pressure that lead to misconduct
- Describe how to reduce ethical risk
- Summarize the principles of professional conduct
- Describe the various types of fraudulent acts
- Discuss the statistical findings regarding fraud
- Differentiate between the different types of financial statement fraud
- Summarize the Sarbanes-Oxley Act of 2002
- Recognize the rules surrounding the ethical and independence requirements for auditors
- Summarize the various violations and charges in the accounting and auditing cases
- List the indicators of tax fraud
- Summarize the Statements on Standards for Tax Services (SSTS)
- Describe the tactics used by abusive tax return preparers
- Recognize the types of corporate tax fraud schemes
- Discuss the types of abusive tax schemes

Course Instructions

To fully benefit from this course, please follow all of the steps below.

1. Read each chapter in the text to get a good understanding of the material.
2. Answer the study guide problems which appear at the end of each chapter. After answering the problems, compare your answers with the correct answers to ensure that you understand the material.
3. When you feel that you have a good understanding of the material contained in the chapter, answer the questions on the final examination.
4. When you have completed the final examination, record your answers on the answer sheet provided and submit it for grading. A score of 70% or better is required to pass. Please also complete the course evaluation that accompanied the course and submit it to us along with your answer sheet. Upon passing you will receive a Certificate of Completion stating that you have successfully completed the course and earned the continuing education credit.

Prerequisites and Advance Preparation

No prerequisites or advance preparation are required for this course.

CPE Credit

This course is recommended for 4 CPE credits.

Final Exam Grading

- Online: Our fastest option, with instant results. Simply go to **www.cpestore.com** and click the link for online grading. Just follow the instructions from there. When you finish entering your answers, you'll receive instant test results and a Certificate of Completion to print.

- ▶ **By Mail:** Mail your test and course evaluation to us in the envelope provided. We grade the tests the day we receive them and mail the results and Certificate of Completion to you the following business day.
- ▶ **By Fax:** Please use this option only if you need fast turnaround (we want to keep this as a free service). Just fax your answer sheet to 1-281-255-4337. If you need us to fax the Certificate of Completion back to you, please provide us with your fax number and write "please fax back" on your answer sheet. If you don't need the Certificate faxed back, please write "no fax needed" on your answer sheet.

Refunds

The CPE Store guarantees your satisfaction. If, for any reason, you are not completely satisfied with your purchase, return it to us unused within 30 days for a prompt refund, no questions asked. (Sorry, but shipping fees are not refundable.)

Customer Service

The CPE Store holds itself to the highest standards. If we have not met your expectations, something is missing, or you just have a question please contact us at 1-800-910-2755 or customerservice@cpestore.com.

About Our Courses

The CPE Store's courses are developed to satisfy the continuing education requirements of the American Institute of Certified Public Accountants, each state's Board of Accountancy and the National Association of State Boards of Accountancy (NASBA). If your state requires registration of sponsors, our sponsor number will appear on your Certificate of Completion.

Our courses are designed to meet the continuing education requirements of accounting professionals. A great deal of care has been taken to ensure that the course material is both interesting and relevant to the practice of accounting. The information presented is, to the best of our knowledge, current and accurate. However, The CPE Store is not in the business of rendering legal, accounting or other professional advice and as such, the material presented in our courses is intended as an overview. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

Ethics for CPAs

4-Hour Course

Final Examination

Answer each question on the accompanying answer sheet. A score of 70% or higher is required to pass the exam. If you score less than 70% on your first attempt, we will allow you to take the test a second time.

Chapter 1 – An Overview of Ethics

1. Under the pyramid of corporate social responsibility, the _____ responsibility is the obligation to do what is right, just, and fair.
 - A. Philanthropic
 - B. Ethical
 - C. Legal
 - D. Economic
2. According to the surveys provided, what was the number one source of pressure for committing unethical acts in 2011?
 - A. Keeping your job
 - B. Meeting personal financial obligations
 - C. Advancing your career
 - D. Supervisor pressure
3. What is the most frequent type of retaliation experienced by employees that reported misconduct?
 - A. Hours or pay was cut
 - B. Given a cold shoulder by other employees
 - C. Excluded from decisions and work activity by a supervisor or management
 - D. Verbal abuse by a supervisor or someone else in management
4. The _____ established a whistleblower program that prohibits retaliation by employers against individuals who provide the U.S. Securities and Exchange Commission with information about possible securities violations.
 - A. Securities Exchange Act of 1934
 - B. Trust Indenture Act of 1939
 - C. Investment Company Act of 1940
 - D. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010
5. According to the survey provided, what allegation type received the most whistleblower tips?
 - A. Manipulation
 - B. Insider trading
 - C. Offering fraud
 - D. Corporate disclosure and financials

Chapter 2 – Ethics for Accounting & Auditing Professionals

6. Using ghost employees and falsifying wages are types of _____ schemes.
 - A. Lapping
 - B. Skimming
 - C. Payroll
 - D. Billing
7. According to the survey presented, most of the perpetrators of occupational fraud work in what department?
 - A. Sales
 - B. Operations
 - C. Accounting
 - D. Executive/Upper Management

Final Exam

8. Under Title II – Auditor Independence of the Sarbanes-Oxley Act of 2002, how often must the lead audit partner be rotated?
 - A. Every other year
 - B. Every three consecutive years
 - C. Every four consecutive years
 - D. Every five consecutive years

9. What is the possible prison sentence for two more people conspiring to commit any offense against or to defraud the U.S. or its agencies?
 - A. 2 years
 - B. 5 years
 - C. 10 years
 - D. 15 years

10. Which of the following types of bookkeeping services would impair independence?
 - A. Authorize or approve transactions
 - B. Provide data-processing services
 - C. Prepare financial statements based on information in the trial balance
 - D. Record transactions for which management has determined the appropriate account classification

Chapter 3 – Accounting & Auditing Cases

11. In the SEC case against NIC, Inc., what was one of the main reasons ethical misconduct occurred?
 - A. Well-implemented ethical policies
 - B. Weak internal policies and controls
 - C. Tone at the top that demonstrated strong morals and values
 - D. Organizational foundation that reflected excellence

12. According to ET §101.02, independence is considered impaired if during the period of a professional engagement, a partner owns more than _____ of a client's outstanding equity securities or other ownership interests.
 - A. 2%
 - B. 3%
 - C. 4%
 - D. 5%

13. What type of threat involves the possibility that an individual may not appropriately evaluate the results of services that he/she previously performed?
 - A. Adverse interest threat
 - B. Self-review threat
 - C. Self-interest threat
 - D. Undue influence threat

Chapter 4 – Ethics for Tax Professionals

14. Which of the following is NOT an indicator of tax fraud?
 - A. Keeping one set of books and adequate records
 - B. Omitting entire sources of income
 - C. Failing to make full disclosure of relevant facts
 - D. Having trust fund loans disguised as expenses or deductions

15. The _____ issues the Statements on Standards for Tax Services (SSTS).
 - A. AICPA
 - B. FASB
 - C. GASB
 - D. IFRS

16. Which of the following is an accurate statement regarding SSTS No. 6 – Knowledge of Error: Return Preparation and Administrative Proceedings?
- A. Tax return preparers must continue to provide services for a client even if that client refuses to correct errors on a tax return
 - B. Tax return preparers are not responsible to advise taxpayers of the consequences of errors found on previously filed tax returns
 - C. Tax return preparers should advise taxpayers of the possible consequences of errors found on a return that is subject to administrative proceedings
 - D. Tax return preparers are not responsible for informing a client about the penalties involved for failing to file a tax return
17. The penalty for understating a taxpayer's liability by a tax return preparer due to an unreasonable position is the greater of _____ of the income derived by the tax return preparer with respect to the return or claim for refund.
- A. \$100 or 10%
 - B. \$200 or 25%
 - C. \$500 or 45%
 - D. \$1,000 or 50%
18. What is a tax return preparer's penalty for failing to furnish an identifying number on a return or claim?
- A. \$10 for each failure up to \$10,000 in a calendar year
 - B. \$20 for each failure up to \$15,000 in a calendar year
 - C. \$50 for each failure up to \$25,000 in a calendar year
 - D. \$75 for each failure up to \$50,000 in a calendar year
19. Which of the following is an unethical act by a tax return preparer?
- A. Claiming medical and dental expense that were incurred by the taxpayer
 - B. Claiming additional supplemental losses that do not exist
 - C. Claiming a charity deduction for property donated to a qualified organization
 - D. Claiming deductions and expenses on a Schedule C that have been paid by the taxpayer
20. The incarceration rate for corporate tax fraud for 2012 was _____.
- A. 52.3%
 - B. 64.5%
 - C. 83.3%
 - D. 97.2%

**Thank you for taking our course.
We hope you enjoyed it.**

Ethics for CPAs

Course Number: ETH3300

Qualifies for 4 hours of CPE credit

If you are mailing or faxing your test to us for grading, please fill in Member ID _____ and Validation number _____.

Name as it should appear on your Certificate:

Where should we send your results?

License State(s): _____

License Number: _____

Date Course Completed: _____

* Answer each question A, B, C, or D as appropriate.

* Be sure you are answering questions from the Final Examination, not from the Study Guide

* **For instant online grading, go to www.cpestore.com and click the link for Online Services**

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The CPE Store
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Course Evaluation

Course # _____

Your Name _____

About the Course

Were the stated learning objectives met?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were prerequisite requirements appropriate and sufficient?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

Was the text well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the final exam well-written, accurate and easy to understand?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were course materials relevant and did they contribute to the achievement of the learning objectives?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Was the time allotted to the learning activity appropriate?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

If applicable, were the individual instructors effective?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely N/A

About the Service

Were you satisfied with the ordering process?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Were your course materials in good condition when they arrived?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

Did you receive your materials in a timely manner?

- 1 - Not at all 2 - Marginally 3 - Somewhat 4 - Mostly 5 - Absolutely

About You

What is your preferred method for completing your CPE?

- Textbook PDF materials downloaded from the internet Online courses Live seminars

Would you like us to notify you by email of our weekly specials and new courses?

- No Yes, my email address is _____ Already receiving

Comments Please

Are there any particular topics you would like to see covered in a CPE course or any additional services you would like to see us provide? _____

Please provide any additional feedback, either positive or negative, regarding our products or our service: _____