

Ethics for CPAs

**Module 2 covers
Chapters 3 and 4**

Published and Distributed by
The CPE Store, Inc.
www.cpestore.com

Table of Contents

Chapter 1 – An Overview of Ethics	1
Learning Objectives	1
Introduction	1
Ethical Concepts.....	1
Ethical Surveys.....	3
Review Questions.....	15
Review Answers	16
Chapter 2 – Ethics for Accounting & Auditing Professionals.....	17
Learning Objectives.....	17
Introduction	17
Principles of Professional Conduct.....	17
Fraudulent Acts	24
Statistics Regarding Fraud.....	26
Types of Financial Statement Fraud.....	30
Noteworthy Accounting Scandals.....	33
Sarbanes-Oxley Act of 2002	35
Ethics & Independence Rules for Auditors	38
Review Questions.....	51
Review Answers	52
Chapter 3 – Accounting & Auditing Cases	55
Learning Objectives	55
Introduction	55
Corporate Fraud Cases	55
Auditor Violation Cases.....	62
Review Questions.....	75
Review Answers	76
Chapter 4 – Ethics for Tax Professionals	77
Learning Objectives	77
Introduction	77
Tax Fraud.....	77
Statements on Standards for Tax Services (SSTS).....	80
Tax Preparer Penalties under Title 26 – Internal Revenue Code	81
Abusive Tax Return Preparers.....	83
Statistical Data – Abusive Tax Return Preparers.....	84
Case Examples – Abusive Tax Return Preparers.....	85
Corporate Tax Fraud	86
Statistical Data – Corporate Tax Fraud	86
Case Examples – Corporate Tax Fraud	87
Abusive Tax Schemes	89
Statistical Data – Abusive Tax Schemes	91

Table of Contents

Case Examples – Abusive Tax Schemes	92
Review Questions.....	95
Review Answers	97
Glossary	101
Index	109