Southeast Missouri State University

Department of Accounting & Management Information Systems

Course No.: AC563

Title of Course: Legal and Ethical Issues in Accounting

Revised: Fall 2010

I. Catalog Description and Credit Hours of Course:

A study of legal issues confronting business decision-makers, including negotiable instruments, debtor-creditor relationships, securities regulation & business organizations. (3)

II. Prerequisite(s): BL255 or its equivalent with a minimum grade of ‘C’

III. Purposes or Objective of the Course:

Upon completion of this course a student should be able to:

A. provide an enhanced understanding of legal & ethical issues related to modern business practice.

B. foster a student's ability to critically analyze & synthesize information for the purposes of making valuable business decisions.

C. familiarize students with topics covered on the CPA exam.

D. strengthen a student's written & oral communication skills.

E. develop proficiency in using information technology & legal research skills.

V. Expectations of Students:

A. To apply & demonstrate vigorous analytic reasoning skills, both oral & written

B. To make satisfactory scores on all periodic exams/ quizzes/class projects

IV. Course Content or Outline:

A. Introduction
   1. General principles
   2. Business Legal environments
   3. Professional malpractice & ethics

B. Negotiable Instruments
   1. Kinds of instruments, parties, & negotiability
   2. Transfer of negotiable instruments
      a. Kinds of endorsements
      b. Negotiation warranties
      c. Assignment of instruments
   3. Rights of holders
      a. Kinds of claimants
      b. Defenses
   4. Checks & funds transfers

   4 hrs

4 hrs
C. Debtor-Creditor Relations
   1. Secured transactions in personal property
      a. General principles
      b. Secured credit sales
      c. Secured loans
      d. Rights of parties before default
      e. Priorities
      f. Rights of parties after default
   2. Bankruptcy
      a. Bankruptcy law & proceedings
      b. Liquidation under Chapter 7
      c. Administration of debtor's estate
      d. Debtor's duties & exemptions
      e. Reorganizations under Chapters 11 & 13

D. Business Organizations
   1. Forms of business organizations
      a. Principal forms of business organizations
      b. Specialized forms of organizations
      c. Franchise businesses
   2. Creation & termination of partnerships
   3. Partnerships, LLPs & LLCs
      a. Authority of partners
      b. Duties, rights, remedies & liabilities of partners

E. Introduction to Corporation Law
   1. Creation & termination of the corporation
   2. Corporate powers
   3. Consolidations, mergers, & conglomerates

F. Corporate Stock & Bonds
   1. Corporate stock
   2. Acquisition of shares
   3. Rights of shareholders
   4. Liability of shareholders
   5. Bonds

G. Management of Corporations
   1. Shareholders
   2. Directors
   3. Officers, agents, & employees
   4. Liability

H. Securities Regulation
   1. State & federal regulations
   2. Industry self-regulation

VI. Textbook(s) and/or Other Required Materials or Equipment:

VII. Basis for Student Evaluation. The weight of evaluation criteria may vary at the discretion of the instructor & will be indicated at the beginning of each course.

The evaluation of students will be based on:

A. class discussion & contribution: students should be prepared to discuss all reading assignments. Students will be prepared to summarize & present project results. Research projects may include legal research on-line, research papers; oral presentations.

B. performance level on assignments: students will be expected to locate, summarize, & lead class discussions on reading assignments which will include case law, statutory law & government regulations.

C. performance on microcomputer projects: students will be expected to demonstrate proficiency in performing on-line legal research.

D. performance on exams: all students will be responsible on exams for all assigned materials, lectures, & class discussions.

E. completion of a special project/paper (graduate student requirement)

VIII. University policy:

A. Academic Honesty and Student Code of Conduct: Students are expected to abide by the University Policy for Academic Honesty. The official statement about academic honesty, including plagiarism, is found in the Undergraduate Bulletin or may be accessed at: http://www.semo.edu/bulletin/pdf/2006Bulletin.pdf. Students are expected to understand and abide by rules of the Code of Student Conduct available at http://www6.semo.edu/stuconduct/code.html. Additional conduct information may be accessed at: http://www6.semo.edu/judaffairs.

B. Student with Disabilities Statement: Official information about provisions to be made for students with disabilities can be obtained from Learning Assistance Programs & Disability Support Services, located at: http://www.semo.edu/cs/services/lec.htm.