ACCOUNTING DISCUSSION QUESTIONS

SAINT LEO UNIVERSITY

2016

**DQ1**

Review the provisions of the Sarbanes-Oxley Act of 2002 to address the accounting scandals in the late 1990s and early 2000s (Enron, WorldCom, etc.). Identify the provisions that you believe made the most significant impact. What other provisions could have been included in the Act to strengthen the responsible stewardship and integrity of the accounting profession? Conversely, what existing provisions in the Act do you believe (if any) are unnecessary or over-regulate the profession?

**DQ2**

Summarize the events of a recent accounting scandal. Identify how the illegal or unethical act was detected and describe the punishments that resulted (fines, prison terms, etc.). Consider what could have been done to detect this act earlier or to prevent it from happening in the first place. Select a different example than those listed in previous posts.

**DQ3**

US GAAP follows the Historical Cost Concept in valuing the cost of long-term assets. Explain this principle and how it compares to the standards used in the reporting of long-term assets under International Financial Reporting Standards (IFRS). If there is a convergence of standards, which method do you believe should be used and why?

**DQ4**

Discuss the advantages and disadvantages of the following types of financing:   
  
1. Issuing bonds   
2. Borrowing from the bank   
3. Equity financing   
  
Provide an example of how a public company has relied more on one method of financing than the others and why it has done so.

**DQ5**

Discuss the differences between the indirect and direct methods of preparing the statement of cash flows. What do you believe are the most significant advantages and disadvantages of using each method? Explain your reasoning

**DQ6**

Discuss the efficient market hypothesis. Explain why financial statement analysis can or cannot be performed in a way that provides significant advantage to an investor.

**DQ7**

Identify a real-life outsourcing decision that has been made. Identify the specific reasons for the outsourcing. If information is available, discuss the results of the outsourcing decision (jobs lost, cost savings, etc.). Cite sources as deemed necessary.

**DQ8**

Identify the costs and benefits to a company of gathering, reporting, and disclosing non financial information (e.g., balanced scorecard, corporate social responsibility reporting, sustainability reporting, etc.).