

Thoughts on Business Ethics and Accounting Professional Ethics in the Background of Diversified Times

Shidong Lu, Zhuolin Li, Wenxin Guan

School of Accounting, Anhui University of Finance and Economics, China

Abstract

In the period of economic transition in my country, the diversification of interests, diversification of subjects and diversification of value in the era of diversification continue to stimulate the prosperity and development of the capital market. At the same time, it is accompanied by "ethical deficiencies" in economic and social activities. As the key subject of economic activities, business behaviors that violate ethics and morality in the field of financial accounting have become a focus topic. Based on this, this article will base on business ethics and accounting professional ethics to construct and design relevant countermeasures for the business ethics system, in order to provide a reference for alleviating the current ethical status quo.

Keywords

Diversified Era; Business Ethics; Accounting Professional Ethics; Countermeasures.

1. Introduction

With the advent of the era of diversification, the capital market is growing. Value diversification and interest diversification have attracted countless companies eager to try on the edge of ethics, especially in the field of financial accounting. Accounting fraud, tax evasion, major shareholders infringing on the interests of small shareholders, Issues such as false listings are increasing. The phenomenon of "ethical cancer" has become an indisputable fact. Therefore, this article aims at thinking about the connotation of business ethics, the lack of business ethics, and the practical significance of business ethics, and formulating targeted ethical training countermeasures for enterprises, schools, and governments, so as to provide a reference for the construction of a good ethical system.

2. Cases of Lack of Business Ethics

From the perspective of an enterprise, business ethics is a contract that society generally abides by, and it has a guiding role in the sound operation of enterprise economic activities. From the perspective of accountants, accounting professional ethics can regulate and restrict the behavior of accountants. If ethics and professional ethics are not fulfilled, it will be extremely detrimental to the future development of the company. This module will take Luckin as an example.

2.1. Case Introduction

In February 2020, the well-known short-selling agency-Muddy Waters issued a short-selling report. Ruixing's stock price fell by 26.5% during the session. Then Ruixing responded that the argument was incorrect and took two months to recover its stock price. On April 2, 2020, Ruixing's performance falsified US\$2.2 billion, and its stock price plummeted by 80%. The American law firm subsequently initiated a class action lawsuit against Ruixing. On April 3rd, Lu Zhengyao, chairman of Luckin Coffee, said that he was responsible. The China Securities Regulatory Commission strongly condemned the "Financial Falsification of Ruixing Coffee" by

the China Securities Regulatory Commission. Lu Zhengyao, chairman of Luckin Coffee, apologized on April 5, expressing shame and heartache. Senior executives of Ruixing Finance were suspended for investigation. On April 7, Luckin Coffee announced the suspension of trading.

The financial fraud of Luckin's means of exaggerating turnover, exaggerating actual sales unit prices, and inflating expenditures has made Luckin go further and further on the road of business ethics, and fraud in accounting fields such as inflated expenditures and exaggerated turnover has lost relevant accounting Professional ethics of personnel.

2.2. Consequences of the Case

Before Ruixing was severely punished and announced the suspension of trading, financial fraud and violations of business ethics had severely affected all aspects of Ruixing and its stakeholders. For example, the stock price plummeted to 6.4, causing many mainland or American investments that originally purchased stocks at high prices. Those who sneered; the stock pledged 49% of the stock holdings (or 24% of the total number of shares issued), causing investors to face margin calls and need to bear the risk of possible stock price plummets; implicated many related coffee companies, suppliers, and guarantees Institutions, etc., in addition, a large number of employees will also face unemployment; from the overall perspective, it will also affect the subsequent listing of Chinese companies in the United States; and Ruixing itself will also face huge fines from the US Securities Regulatory Commission. Based on the above, it can be seen that the lack of business ethics and the lack of accounting professional ethics have a wide and deep impact on the consequences.

3. The Practical Significance of Business Ethics

Business ethics has become the basic code of conduct for the healthy development of the market economy and the survival of enterprises. The practical significance of business ethics is often reflected in the key economic entity of the enterprise, and the focus can be expressed in the following three points:

3.1. Business Ethics and Social Responsibility

From the above-mentioned ethical cases, it is obvious that the practice of betraying business ethics flagrantly violates the characteristics of "social man" and "moral man". As a key economic entity, an enterprise needs to assume social responsibilities when making ethical decisions. As an enterprise as a whole, its ethical decision-making must reflect the moral management model, which will have a great impact on social interests, long-term interests and overall interests. Companies consciously use business ethics to constrain their own behaviors in their business activities, and abide by good ethical standards, which can not only help companies improve their brands, provide high-quality products, and better serve the development of society, but also help them better fulfill their corporate goals. Social responsibility to promote the health and long-term development of the enterprise itself. In other words, although following business ethics can not bring additional benefits on the surface, it can reduce the cost of trust crisis and increase the potential benefits of corporate image. Therefore, in order to highlight the inherent virtues of enterprises, enterprises should seek economic benefits from the scope of ethical behaviors on the premise of following business ethics.

3.2. Business Ethics and Accounting Ethics

The development of social economy has fully explained: the more the economy develops, the more important accounting is. The development of the diversified era promotes the continuous operation and development of the socialist market economy, and also determines that the position of accounting in the market economy will be more prominent. Business ethics, as the

first-level ethics of enterprises, directly determines the construction of accounting ethics of enterprises. Therefore, only by strengthening the cultivation of business ethics can we help enterprises regulate behavior from basic principles, reduce financial fraud, indirectly ensure accounting ethics, and maintain accounting Professional ethics to ensure the stability of market transactions.

3.3. Business Ethics and Transnational Management

In the context of the current diversification era, transnational operations are becoming more and more extensive. Countries and regions have different institutional systems. The various differences formed in the transaction process require companies to better understand ethical issues in cross-border transactions. scale. Paying attention to business ethics can help companies understand ethical national differences in their content systems and respect the language of international business ethics, thereby facilitating participation in international competition and integration into the global economic circle.

4. Targeted Countermeasures and Suggestions

4.1. Business Ethics Training Countermeasures for Enterprises

Enterprises play a central guiding role in the construction of business ethics, emphasizing the self-consciousness of enterprises to follow the mechanism, which can make the construction of business ethics take a crucial step. To this end, companies should do the following:

1. Strengthen the internal self-discipline mechanism of the enterprise and adhere to the corporate culture of honesty and trustworthiness

Business leaders should play a guiding role, vigorously advocate ethical spirit, carry out ethical education and training, and encourage employees to self-discipline and abide by industry mechanisms. When making corporate ethical decisions, a containment system can also be set up among leaders to take the lead in guiding and continuously constrain the ethical and ethical standards of the entire enterprise. Strengthen the construction of enterprise management and supervision departments, strengthen supervision and restraint, conduct random inspections on a regular and irregular basis, and require the report results to be reported throughout the enterprise to attract attention. Cycle operation until the company's ethical practice advantage is transformed into the company's cultural advantage, cultural awareness is used to control practical behavior, and then transformed into the company's core advantage, with all credit to support the company's healthy and sustainable development, and ultimately to improve the company's industry competition Power goal.

2. Promote the integration of system and corporate ethics

The company's financial fraud can be significantly controlled by the company's powerful internal and external control and processing mechanisms, and the company's integrity and ethical foundation will determine the significance of the company's control and processing mechanisms, so in order to suppress the company's financial fraud , Because it considers to promote the "repair" of the company system from the two aspects of honesty and moral foundation, promote the integration of system and corporate ethics, and set out to prevent counterfeiters from making fakes and not wanting to make fakes from the source. On the one hand, the system and law, as the lowest moral bottom line, obviously cannot meet the needs of the company system. Therefore, it is necessary to raise this "ethical bottom line" and integrate the company's moral principles and ethical bottom line into it in order to regulate various societies. Relationship, emphasizing and defending the moral institutionalization and legalization of higher demands. On the other hand, it is necessary to evaluate the existing system according to the ethical principles and moral goals of the company's needs, check for deficiencies, and improve the level of existing systems.

3. Attach importance to cultivating accounting professional ethics to ensure accounting ethics. The company must establish an internal control and internal audit system based on its specific characteristics, and a dedicated department is responsible for the implementation of internal audit work to ensure the professionalism and efficiency of the work. In addition, supervision and mutual restraint between various departments are indispensable, which can ensure the quality of accounting information and improve reliability. In addition, a mature internal control mechanism can prevent senior management from depriving accounting practitioners of their awareness, and prevent power corruption, thereby reducing the environmental pressure of accounting personnel for fraud and other influencing factors.

4.2. Countermeasures for the Education and Training of Accounting Professional Ethics in Schools

Schools should focus on strengthening the theoretical foundation of students, and more scientifically complete the education of business ethics and accounting professional ethics, in order to improve practical guidance. Business ethics and accounting professional ethics education is an interdisciplinary subject that integrates accounting, philosophy, psychology, and ethics. Schools should start to improve the application of ethics and philosophy in accounting and management to consolidate the theoretical foundation. If conditions permit, the school should also offer relevant lectures to connect accounting with other disciplines on a broader level. Specific forms can include case play, ethics research and ethics defense meeting, etc.

(1) Case play

Case play is similar to drama. Students play designated roles to simulate and restore scenes of real events together with their collaborators, and then use the discussed case analysis method to enable students to truly experience and feel the positive and negative ideas of the target object. Experience the ethical conflicts and moral obstacles of working in real life, so as to more profoundly arouse students' thinking and strengthen their analytical and practical capabilities.

(2) Ethics research

Schools can actively carry out practical activities and set up many practical research goals, so that students can step into the society in person and have a deeper understanding of the various details of problem-solving. Establishing goals with strong practical significance, such as "how to evaluate the ethical and moral level of a certain company", "how to improve the commercial ethics and accounting professional ethics of a certain company", etc., have strengthened the relationship between students and society. The interaction exercises the students' self-thinking ability and the ability to solve problems independently or through teamwork.

(3) Ethics Conference

Schools can also adopt the form of a defense meeting to set some real business ethics and moral issues as topics, such as: "Can people's value be measured by money?", "Is moral behavior driven by interests?" Problems, which motivates college students to actively search for extracurricular materials, have a deep understanding of the theoretical and moral system, and inadvertently deepen the theoretical requirements of students.

4.3. Suggestions for Government Regulatory Agencies

1. Strengthen the construction of accounting professional ethics

Strengthen the construction and "repair" of the accounting legal system, and combine the characteristics of the times and the needs of the times, so that the system can adapt to the future accounting development environment. Propose norms and standards for accounting work to ensure the standard and rigorous behavior of accounting practitioners. Ensure the implementation of the accounting legal system and ensure fairness and justice. Improve the punishment of some unreasonable laws and regulations against fraudulent accounting entities,

managers and accounting practitioners. Create an ethical atmosphere of the accounting environment and improve the quality of all personnel. Continuously adhere to the education of practitioners, effectively implement it on accounting practitioners, establish integrity files for all practitioners, share untrustworthy files in the accounting industry, and ensure the supervision of accounting professional ethics. Accounting integrity education should focus on professional ethics principles and relevant laws and regulations, so that corporate managers and accountants are familiar with the corresponding standards and laws and regulations, so that laws must be followed and violations must be investigated, so as to build a high-level integrity industry environment.

2. Strengthen industry supervision and improve supervision effectiveness

Strengthen government supervision, improve industry governance regulations, and continuously improve and exercise the social supervision power of the media and the public. The government should build an effective supervision mechanism as soon as possible, such as actively supervising and supervising various industries to initiate self-regulatory work, coordinating the management of auditing, financial and other functional departments, supervising the professional ethics compliance of employees in each industry, and restricting and prohibiting the industry from the top management. For all kinds of bad behaviors, strict sanctions will be imposed on employees who do nothing, are incompetent, and violate the law and discipline. In severe cases, the sanctions must be increased. In addition, we should promote education on issues of morality, ethics, integrity and other issues in the whole society, make good use of media and other communication methods, and strive to create a strong and good social atmosphere. Establish a credit evaluation mechanism, and use the industry's common resources, media, and public resources to restrict or promote untrustworthy behaviors, so that practitioners dare not take risks.

Business ethics is to solve management problems from an ethical perspective. To survive in the business environment and market economy, we must pay attention to this problem. This article introduces the connotation of business ethics, examples of cases, and elaborately elaborates on the practical significance of business ethics to trigger readers to think about business ethics, closely linking business ethics with a healthy, harmonious and sustainable economy. The school and the government provide countermeasures and suggestions on the construction of business ethics system, aiming to provide reference for solving the credibility crisis caused by professional ethics and business ethics and creating a credible and civilized business environment.

References

- [1] Wang Suikun, Zheng Ke. Analysis of the Ethical Roots and Governance of Accounting Fraud[J]. Finance and Accounting Newsletter, 2019(34):113-115.
- [2] Guo Ailin. The impact of business ethics and accounting professional ethics under new technologies [J]. Shangxun, 2019(09):182.
- [3] Wang Li, Chen Shao'e. Case analysis and suggestions on the game between business ethics and economic benefits [J]. Business Accounting, 2016(07):97-98.
- [4] Fang Qi. Analysis of business ethics and accounting professional ethics of accounting fraud[J]. Market Research, 2015(05): 67.
- [5] Guo Ailin. The impact of business ethics and accounting professional ethics under new technologies [J]. Shangxun, 2019(09):182.
- [6] Wu Mei, Wang Tingting, Yan Ziwei. Deep analysis of financial fraud based on the strengthening of accounting ethics [J]. Contemporary Accounting, 2019(01): 5-7.