

JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT  
TEST -3 EXAMINATION-2022

B.Tech-III Semester (All Branches)

COURSE CODE (CREDITS): 21B11HS312 (1)

MAX. MARKS: 35

COURSE NAME: Interpersonal Dynamics Values and Ethics

COURSE INSTRUCTORS: Ms. Triambica Gautam, Dr. Tanu Sharma MAX. TIME: 2 Hours

*Note: All questions are compulsory. Marks are indicated against each question in square brackets.*

**Section A**

Q1. Which out of the global issues confronting us in the ethics area do you find the most important? Explain what needs to be done to improve ethical conduct in that area. (CO5) [6]

Q2. You are a software engineer working in a multinational company. You are heading a group of seven people in your department. Describe briefly the extent of your responsibility for safety in this context. (CO4) [6]

Q3. Is conducting an Ethics Audit really required? Why/ why not? Support your answer with examples. (CO4) [5]

**Section B : Case study**

**Answer Q 4, Q 5 and Q6 with reference to the following case study.**

You are a staff associate at a major public accounting firm and graduated from college two years ago. You are working on an audit for a small, non-profit religious publishing firm. After performing tests on the royalty payables system, you discover that for the past five years, the royalty payables system has miscalculated the royalties it owes to authors of their publications. The firm owes almost Rs 1 crore in past due royalties. All of the contracts with each author are negotiated differently. However, each author's royalty percentage will increase at different milestones in books sold (i.e., 2% up to 10,000 and 3% thereafter). The software package did not calculate the increases, and none of the authors ever received their increase in royalty payments. At first you can't believe that none of the authors ever realized they were owed their money. You double check your calculations and then present your findings to the senior auditor on the job. Much to your surprise, his suggestion is to pass over this finding. He suggests that you sample a few additional royalty contracts and document that you expanded your testing and found nothing wrong. The firm's audit approach is well documented in this area and is firmly

based on statistical sampling. Because you had found multiple errors in the small number of royalty contracts tested, the firm's approach suggested testing 100% of the contracts. This would mean: (1) going over the budgeted time/expense estimated to the client (2) possibly providing a negative audit finding and (3) confirming that the person who audited the section in the years past may not have performed procedures correctly.

Based on the prior year's work papers, the senior auditor on the job performed the testing phase in all of these years just before his promotion. For some reason, you get the impression that the senior auditor is frustrated with you. The relationship seems strained. He is very intense, constantly checking staff's progress in the hope of coming in even a half-hour under budget for a designated test/audit area. There's a lot of pressure and you don't know what to do. This person is responsible for writing your review for your personnel file and bonus or promotion review. He is a very popular employee who is "on the fast track" to partnership.

You don't know whether to tell the truth and risk a poor performance review and jeopardize your job and future with this company or tell the truth, hopefully be exonerated, and be able to live with yourself by "doing the right thing" and facing consequences with a clean conscience.

Q4. What would you do as the staff associate in this situation? Why? What are the risks of telling the truth for you? What are the benefits? Explain. (CO3) [6]

Q5. What is the difference between the "right" and "smart" thing to do in this situation? Explain. (CO5) [6]

Q6. How will you word the truth to the senior auditor if you decided to tell the truth as you know it? (CO3) [6]