

Study on Ethical Issues in Finance and Accounting Industry in India

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Abstract – Business Ethics is a type of connected ethics that inspects moral standards and standards inside a business setting; the different good or moral issues that can emerge in a business setting; and any uncommon obligations or commitments that apply to people who are occupied with trade. The subject of business ethics is in this manner a regulating discipline, whereby specific moral principles are pushed and after that connected. It makes particular judgements about what is correct or wrong, which is to state, it makes asserts about what should be done or what should not to be finished. Thus business ethics is generally less worried with the philosophical establishments of ethics or with legitimizing the most essential moral standards however are more worried with down to earth issues and applications, and particular obligations that may apply to business connections.

Keyword: Ethical Issues, Finance and Accounting, Business

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1. INTRODUCTION

Ethics allude to rule that characterize conduct as right, great and legitimate. Such standards don't generally manage a solitary "good" strategy, yet give methods for assessing and settling on contending choices. The expressions "ethics" and "qualities" are not exchangeable. Ethics is worried with how an ethical individual ought to act, while qualities are the inward judgments that decide how a man really carries on. Values concern ethics when they relate to convictions about what is good and bad. Most esteem, in any case, have nothing to do with ethics. For example, the craving for wellbeing and riches are qualities, yet not moral esteems. Significance of promoting is critical however then again, one can't maintain a strategic distance from its awful effect on the general public and culture. The vast majority have feelings about what is good and bad in view of religious convictions, social roots, family foundation, individual encounters, laws, authoritative esteems, proficient standards and political propensities. These are not the best esteems to settle on moral choices by — not on the grounds that they are irrelevant, but rather in light of the fact that they are not widespread. Rather than accord moral esteems — such nuts and bolts as dependability, regard, obligation, decency, mindful and citizenship — individual and expert convictions change after some time, among societies and among individuals from a similar society. They are a wellspring of persistent chronicled difference, even wars. There is nothing amiss with having solid individual and expert good feelings about good and bad, yet tragically, a few people are "moral

colonialists" who look to force their own ethical judgments on others. The all inclusive moral estimation of regard for others directs respecting the poise and independence of every individual and alerts against vainglory in regions of honest to goodness discussion. Against this foundation the present review looks moral part of representatives from a local point of view and draws out another viewpoint in assessing the moral issues in the Present Business Scenario.

2. REVIEW OF LITERATURES

According to Justin Kuepper (2013), Investing in India may seem foreign to many in the United States, but the country's positive demographics and rapidly growing economy make it a great opportunity for international investors. According to Rick Ferri (2013), what was not expected or reasonable was how the fund company chose to compare the hypothetical results of the new global index with ETF investment because those comparisons make the hypothetical global index look spectacular! According to Eric Dutram (2010), Transparency International, ranked countries from least corrupt to the most corrupt, takes into account the results of 13 independent corruption surveys. The top of the list consists of countries such as New Zealand, Denmark, and Singapore with countries such as Somalia, Afghanistan, and Myanmar at the very bottom (India ranked 84th). In the present paper, taken lead from these studies and examines the

ethical role of businessmen and their influences on the society in the present business scenario.

Bhasin (2013) inspected the India's Enron, Satyam Computers Creative Accounting outrage. He proposed "the expanding rate of office wrongdoings requests firm punishments, model disciplines, and successful implementation of law with the correct soul." Moreover, Soral and Kamra (2013) investigated the moral and untrustworthy parts of CA with the assistance of cases from India and abroad. Thus, Rajput (2014) found that CA exists due to absence of mindfulness and data level of financial specialists. He highlighted the part of government and different offices like SFIO and India Forensic for legitimate treatment of the issue of CA.

Renu and Aggarwal (2014) highlighted the CA in negative sense with the assistance of CA strategies embraced by Enron Company and Satyam Computers, which prompted the fall of them two. Yadav (2014) talked about the different viewpoints identified with CA. He found that "the CA hone increment when chiefs need to support the benefit if there should arise an occurrence of inadmissible circumstance and proposed that such practices can be limited by great corporate management rehearses." Patnaik et al., (2014) made an exact investigation by undertaking a review in a few chosen private part endeavours in Kolkata, Bhubaneswar and Cuttack. They utilized poll and Likert scale strategy and inferred that "window dressing practices are common in lion's share of partnerships and outside examiners support such practices for their own particular intrigue." Recently, Tassadaq and Malik (2015) in their exact review gathered the information through organized poll from modern area of Pakistan. They reasoned that "an organization is included in cheats or outrages due to a few elements like dishonest practices, office issue and non-proficient state of mind."

3. ETHICS OF FINANCE AND ACCOUNTING: ETHICS OF FINANCE AND ACCOUNTING IS AS FOLLOWS

1. Policies and issues relating to creative accounting, earnings management, misleading financial analysis etc.
2. Issues and policies on avoiding of insider trading, securities fraud, forex scams and criminal practices generally.
3. In recent years there has been concerns expressed on excessive payments made to corporate CEO's.
4. Bribery, kickbacks, and facilitation payments: while these may be in the (short-term) interests of the company and its shareholders, these practices may be anti-competitive or offend against the values of society.

4. ETHICS OF SALES AND MARKETING

It deals with questions like when marketing goes beyond the mere provision of information about (and access to) a product and seeks to manipulate people's values and behavior. To some extent society regards this as acceptable, but where should the ethical line to be drawn? Some of the issues under this sub-category are:

1. Pricing issues like price fixing, price discrimination, price skimming.
2. Anti-competitive practices: these can include but go beyond pricing tactics to cover issues such as manipulation of loyalty and supply chains.
3. Ethical acceptability and propriety of specific marketing strategies like green wash, bait and switch, shill, viral marketing, spam (electronic/email), pyramid scheme, planned obsolescence etc.
4. Content of advertisements: attack ads, subliminal messages, sex in marketing etc.
5. Ethical propriety of marketing to Children and marketing in schools.
6. Dealing with black markets and grey markets.

Apart from the moral benefits of attention to business ethics, some of the other types of benefits are:

1. Regard for business ethics has significantly enhanced society: A matter of decades back, youngsters worked 16-hour days, laborers' appendages were detached and impaired specialists were sentenced to destitution and frequently to starvation and cartels controlled a few markets with the outcome that costs were falsely settled high and independent companies controlled bankrupt. Value settling disabled typical market powers and the value disclosure prepare. Representatives were ended in light of whether the proprietor likes his face and there was terrorizing and provocation. So society responded and requested that organizations put high an incentive on reasonableness and equivalent rights and hostile to imposing business model laws were established. Government organizations were set up and unions sorted out.
2. Ethics: keeps up an ethical course in turbulent circumstances: Attention to business ethics is basic amid times of crucial change on the grounds that amid times of progress, there is regularly no reasonable good compass to guide pioneers through complex clashes about what is correct or off-base. Proceeding with thoughtfulness regarding ethics in the working

environment sharpens pioneers and staff to how they ought to act.

3. Ethics programs develop solid cooperation and profitability: Ethics programs adjust worker practices to those top need moral esteems favoured by pioneers of the organization. Generally, any organization discovers dissimilarity between its favoured esteems and the qualities really reflected by practices in the corporate. Progressing consideration and discourse with respect to esteems in the corporate fabricates openness, respectability and group - basic elements of solid groups in the corporate. Workers feel solid arrangement between their qualities and those of the organization. They respond with solid inspiration and execution.
4. Ethics programs bolster representative development and significance: Attention to ethics makes workers feel full certainty they can concede and manage whatever comes their direction.
5. Ethics projects are a protection arrangement: they help guarantee that approaches are legitimate: There is an expanding number of claims with respect to work force matters and to the impacts of an organization's managements or items on partners especially clients. Moral standards are regularly on best in class legitimate matters. Thoughtfulness regarding ethics guarantees exceedingly moral arrangements and strategies in the corporate. It's much better to bring about the cost of systems to guarantee moral practices now than to acquire expenses of suit later. A noteworthy expectation of all around outlined faculty approaches is to guarantee moral treatment of representatives, e.g., in matters of employing, assessing, teaching, terminating, and so forth.
6. Ethics programs help maintain a strategic distance from criminal acts "of oversight" and can bring down fines: Ethics programs have a tendency to distinguish moral issues and infringement at an opportune time so they can be accounted for or tended to. At times in the USA, when an organization knows about a real or potential infringement and does not report it to the fitting experts, this can be viewed as a criminal demonstration, e.g., in business dealings with certain management offices, for example, the Defense Department. The United States Federal Sentencing Guidelines indicate significant punishments for different sorts of real ethics infringement yet has arrangements for brings down fines if an

organization has unmistakably endeavoured to work ethically (Justin Kuepper, 2013).

7. Ethics programs assist oversee values related with quality management, key arranging and differences management: Ethics programs distinguish favoured esteems and help guarantee authoritative conduct is lined up with those qualities. This exertion is extremely helpful for a few different projects in the corporate that oblige practices to be lined up with qualities, including quality management, vital arranging and assorted qualities management. Ethics management projects are likewise valuable in overseeing differing qualities. Differences are a great deal more than the shading, station and dialect and so on of individuals—it's recognizing diverse esteems and points of view.
8. Ethics programs advance a solid open picture: Attention to ethics is likewise solid marketing however overseeing ethics ought not to be done fundamentally for reasons of marketing. Individuals see those organizations that have moral esteems as esteeming individuals more than benefit, as endeavouring to work with the most extreme of honesty and respect.

5. EMPIRICAL ANALYSIS

The Table explain the results of ANOVA in terms of ethical factor, source of variation, degrees of liberty, sum of squares, mean sum of squares, f value, p value and its implication.

Level of ethical factors	Sov	Ss	Df	Mss	F	P	S/ns
Ethical attitude	Between groups	54.514	2	27.257	113.449	0	S
	Within groups	172.264	717	0.24			
	Total	226.778	719				
Ethical accounting in practice	Between groups	4.599	2	2.299	5.427	0.005	S
	Within groups	303.796	717	0.424			
	Total	308.394	719				
Ethical accounting regulation	Between groups	12.981	2	6.491	24.804	0	S
	Within groups	187.618	717	0.262			
	Total	200.599	719				
Business ethics & corporate social responsibility	Between groups	2.852	2	1.426	4.606	0.01	S
	Within groups	221.948	717	0.31			
	Total	224.8	719				
Ethical accounting regulatory audit	Between groups	26.121	2	13.06	34.539	0	S
	Within groups	271.124	717	0.378			
	Total	297.244	719				

It is concluded that there exists significant differences between the ethical aspects of accounting standards perception of respondents on the need. All the studied factors were found significant and

substantially relevant with respect to the objective of the research.

CONCLUSION:

In spite of the fact that the individual and expert ethos in finance and accounting industry is not really detachable from the proprietors perspective, the respondent's autonomous demeanour to express their observation as to exploitative business hones, flawed demeanour, faulty bookkeeping rehearses, requirement for moral association culture, need of moral bookkeeping control and plausibility of moral bookkeeping administrative review, give new knowledge to the business condition in positive way.

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