

CONTEMPORARY ISSUES IN BUSINESS ETHICS: SOUTH EAST ASIAN MANAGERS' PERSPECTIVES



Edited by
Suhaimi Mhd. Sarif



IIUM Press

Contemporary Issues in Business Ethics: South East Asian Managers' Perspectives

Editor:

Suhaimi Mhd Sarif

Asst. Professor of Business Management

*Kulliyah of Economics & Management Sciences
Department of Business Administration*



IIUM Press

Published by:
IIUM Press
International Islamic University Malaysia

First Edition, 2011
©IIUM Press, IIUM

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without any prior written permission of the publisher.

Perpustakaan Negara Malaysia

Cataloguing-in-Publication Data

Suhaimi Mhd Sarif: Contemporary Issues in Business Ethics: South East Asian Managers' Perspectives

ISBN: 978-967-418-122-2

Member of Majlis Penerbitan Ilmiah Malaysia – MAPIM
(Malaysian Scholarly Publishing Council)

Printed by :
IIUM PRINTING SDN.BHD.
No. 1, Jalan Industri Batu Caves 1/3
Taman Perindustrian Batu Caves
Batu Caves Centre Point
68100 Batu Caves
Selangor Darul Ehsan
Tel: +603-6188 1542 / 44 / 45 Fax: +603-6188 1543
EMAIL: iiumprinting@yahoo.com

CHAPTER 11

BUSINESS ETHICS IN ACCOUNTING

Suhaimi bin Mhd Sarif
Aisyah Zubir
Qurratul Nadirah Shabudin
Ismihani Ashari
Fatimah Azzahra Mohamad Noor

ABSTRACT

The purpose of this chapter paper is to discuss business ethics which are relevant to accounting. More specifically, it covers the ethics in traditional, Islamic and creative accounting. The current environment in accounting, some of the companies apply ethics and some of them do not apply it based on their company rules and regulations. For this chapter, all of us reviewed a total of 15 articles. Besides, we assess 15 managers' perception via interview using direct method (face to face) and indirect methods (e-mail, phone calls and social networks) in respect of ethical issues, potential of applying ethics in manager's work and advantages of applying ethics in their works. In those 15 articles, most of them agreed the importance of ethics in accounting and how it relates with Islamic. Moreover, they are also familiar with creative accounting. In addition, most of the managers agreed and applied ethics in their workforce which means ethics are helpful and essential when they imply ethics in their workforce. This chapter consists of the relationship of ethics in accounting, Islamic perspective in accounting ethics and also ethics in creative accounting.

Keywords: *Ethics in accounting, Ethical Issues, Ethics in accounting education, Creative accounting, Islamic perspective*

INTRODUCTION

Being ethical in accounting requires inner strength. Therefore, is it possible for an accountant or auditor to make the most responsible decision when it comes to doing what is right and what is wrong in their respected work? Does Islamic perspective on ethics plays role in accounting ethics? Besides, can someone please justify whether creative accounting is ethical or not.

First and foremost, ethics has been derived by The Concise Oxford Dictionary (1978) as related to morals and the treating of moral questions. Meanwhile, business ethics is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment.

It is also crucial to know what is accounting and how it is related to ethics. So in brief, accounting is the process of communicating financial information about a business entity to users such as shareholders and managers. The accounting process consists of dealing with