

Ethical Financial Decisions

A DIGITAL DISCOVERY LESSON

Unethical Financial Practices Lesson

**Editable
Interactive Slides
Real-World Business Examples**

**A Google Slides file
that easily converts
to PowerPoint**

**NO PREP!
SAVES YOU TIME!**



BUSINESS EDUCATION WITH *Denise Leigh*

NO PREP Intro Digital Activity

What's included?

- ✓ 11-slides Google Slides lesson
- ✓ Teacher's Key
- ✓ Interactive scenario activities
- ✓ Critical-thinking discussion questions
- ✓ Professional ethics organizations activity
- ✓ Real-world unethical business examples



An Unethical Financial Practices Lesson

Students learn about Unethical Financial Practices...

Common Unethical Financial Practices

Example:

A student club treasurer says the fundraiser made \$2,000 when it really made \$1,200 and keeps the extra money.

Which of these unethical practices do you think happens most often in real life?

Term	Meaning
Fraud	Lying or cheating for money
Embezzlement	Stealing money from a company you work for
Tax Evasion	Illegally avoiding taxes
Bribery	Paying someone for unfair advantages
Lack of Transparency	Hiding important financial information

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Interactive Slides Unethical Financial Practices Prompts

Read each scenario.
Decide which unethical
financial practice is
being described.

Term	Meaning
Fraud	Lying or cheating for money
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Scenario 1
A restaurant owner hides part of the business income so they do not have to pay as much money to the government during tax season.

Scenario 2
A company manager secretly gives a competitor an expensive contract so the company will win a construction contract.

Scenario 3
A clothing store employee takes small amounts of company money into their personal bank account over several months.

Scenario 4
A business tells investors that sales increased by 40%, even though the numbers were completely made up.

Scenario 5
A tech company refuses to share information about major financial losses with investors and employees.

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Critical Thinking Questions

Critical Thinking Questions

1. Why might a business leader feel pressured to lie about financial information, even if they know it is wrong?

Follow-up: Do you think pressure from investors or competition excuses unethical behavior? Why or why not?

1. Who do you think is hurt the most when a company lies about financials: employees, investors, customers, or the economy? Explain your answer.

1. If a company lies about its financial situation to save jobs or avoid going out of business, is that ever acceptable? Why or why not?

How Businesses Manipulate Financial Information

Businesses May Mislead Others To:

- Raise stock prices
- Get loans approved
- Attract investors
- Avoid taxes
- Look more successful than they really are

Example

A business exaggerates sales numbers before asking a bank for a loan.

False financial information can hurt:

- Investors
- Employees
- Customers
- The economy

Here are some well-known professional organizations that promote ethical standards for accountants and financial managers:

Organization	Who They Serve	What They Do
American Institute of Certified Public Accountants (AICPA)	Accountants and CPAs	Creates ethical rules and professional standards for accountants in the U.S.
Institute of Management Accountants (IMA)	Financial managers and management accountants	Promotes ethical behavior and professional responsibility of finance managers
CFA Institute	Financial analysts and investment professionals	Requires members to follow a strict code of ethics and professional conduct
Financial Industry Regulatory Authority (FINRA)	Financial advisors and brokers	Regulates financial professionals and helps protect investors
International Federation of Accountants (IFAC)	Accountants worldwide	Develops international ethical standards for accounting professionals

These organizations create rules and ethical guidelines to help financial professionals act honestly, fairly, and responsibly.

Organizations that create rules and ethical guidelines to help financial professionals act honestly, fairly, and responsibly.

Teaching Duration: 45 minutes w/ Discussions

Professional Ethics Organizations Scenarios

Which Professional Organization would handle each situation?

Professional Ethics Organizations Scenarios

Directions
Read each scenario. Decide which professional organization would most likely handle the situation.

Word Bank

- AICPA
- IMA
- CFA Institute
- FINRA
- IFAC

Scenario 1
An investment analyst is accused of giving clients misleading information about stocks and investments.

Scenario 2
A financial advisor breaks rules while helping customers buy and sell investments.

Scenario 3
A management accountant at a large company is accused of falsifying financial reporting.

Scenario 4
An accountant working in the United States is accused of violating professional ethical standards while preparing tax documents for clients.

Scenario 5
An international accounting group is creating ethical standards that accountants in many different countries can follow.

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Preview

Interactive Slides

11 Slides included

Why Do People Make Unethical Financial Decisions?

Sometimes people or businesses break financial rules because they want:

- More money
- More power
- Better business results
- To avoid trouble or embarrassment

Simple Examples

- Lying about profits to impress investors
- Hiding money to avoid taxes
- Stealing company money
- Paying bribes to win contracts



Common Unethical Financial Practices

Example:

A student club treasurer says the fundraiser made \$2,000 when it really made \$1,200 and keeps the extra money.

Which of these unethical actions do you think happens most often in real life?

Term	Meaning
Fraud	Lying or cheating for money
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Read each scenario. Decide which unethical financial practice is being described.

Term	Meaning
Fraud	Lying or cheating for money
Embezzlement	Stealing money from a company you work for
Tax Evasion	Illegally avoiding taxes
Bribery	Paying someone for unfair advantages
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Scenario 1
A restaurant owner hides money to avoid taxes.

Scenario 2
A manager pays a contractor to win a contract.

Scenario 3
A clothing store owner tells investors that sales are up 40%, even though the store's sales have decreased over the last few months.



Why Do People Go to Money Cops? Temptations

When people control large amounts of money, temptations arise.

People may think:

- "No one will notice."
- "I'll pay it back later."
- "I'll serve this."

...because the company has plenty of money.



An employee uses a company credit card to buy personal items and hides the purchases.

Small dishonest actions often grow into bigger problems.

Here are some well-known professional organizations that set ethical standards for financial managers:

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Institute of Management Accountants (IMA)	Financial managers and management accountants	Promotes ethical behavior and professional responsibility in finance careers
CFA Institute	Financial analysts and investment professionals	Requires members to follow a strict code of ethics and professional conduct
Financial Industry Regulatory Authority (FINRA)	Financial advisors and brokers	Regulates financial professionals and helps protect investors
International Board of Standards and Practices for Certified Financial Planners (IBCFP)	Financial planners	Develops international ethical standards for accounting professionals

How Businesses Manipulate Financial Information

Businesses may use unethical practices to:

- Manipulate stock prices
- Hide losses
- Hide taxes
- Hide more successful than they are



Critical Thinking Questions

1. Why might a business leader be tempted to lie about financial information, even if it's wrong?

Follow-up: Do you think pressure from investors or competition excuses unethical behavior? Why or why not?

1. Who do you think is hurt the most when a company lies about its finances: employees, investors, customers, or the economy? Explain your answer.

1. If a company lies about its financial situation to save jobs or avoid going out of business, is that ever acceptable? Why or why not?

Professional Ethics Organizations Scenarios

Directions

Read each scenario. Decide which professional organization would most likely handle the situation.

Scenario 1
An investment analyst is accused of giving clients misleading information about stocks and investments.

Scenario 2
A financial advisor breaks rules while helping customers buy and sell investments, and investors file complaints.

Scenario 3
A management accountant at a large company needs guidance about ethical decision-making and financial reporting.

Scenario 4
An accountant working in the United States must follow professional ethical standards while preparing tax documents and audits.

Scenario 5
An international accounting group is creating ethical standards that accountants in many different countries can follow.

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Stealing or misusing money, avoiding taxes illegally, bribing people, and committing fraud are against the law in most countries. Different countries may have different punishments for these crimes. In the United States, public companies must share their financial records each year so independent accountants can check them. These laws help protect investors and make sure businesses give honest financial information.



Many businesses develop internal mechanisms, such as codes of conduct, audit requirements, and cash-handling processes to prevent unethical behavior.

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Hi! My name is Denise Leigh. I have been teaching Business Education for over 25 years! I love collaborating with business educators all over the world. I am a 2022 Pennsylvania Teacher of the Year Finalist and relentless lifetime learner and lover of everything education. Engaging students and connecting them to their world is my jam! Thank you for exploring my resources and sharing my passion for BUSINESS EDUCATION!

Denise Leigh is an expert on student-led instruction. She was featured on CBS Pittsburgh for her City Collaborative™ Project-Based Business Education (PBL) Classroom.

