



Regional Differences on the Cognition as a Constraint on Accounting Ethics Education

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ABSTRACT

Accounting ethics education is considered necessary for the wealth of world nations. On the other hand there is uncertainty about the general structure of accounting ethics education. At first sight, the perception of accounting ethics may seem similar everywhere. However, people of different regions have different cultures and points of view. The most important constraint in regional factors is the factor of cognitive differences. The existence of differences in the cognition of accounting ethics is explained in this study. 22 accountants from Istanbul and 20 accountants from Elazığ, Tunceli and Erzincan are interviewed. The results of this research show that there are significant differences between the participants' viewpoints within these two regions.

Introduction

The world is changing, influenced by new policies of governments and the increasing tendency of government incentives. The power of countries is measured with the number of the reputable companies operating in them. The changing appearance of the world has brought new necessities and dimensions. For the sustainable success of companies, business ethics became more necessary and has been one of the most important dimensions of sustainability (Klimek and Wenell, 2011). Business ethics may also lessen the workload of governments and governmental institutions, by reducing the illegal operations.

The role of ethics is not only to diminish the workload and the costs of public operations. Another role of ethics is to enhance the reliability of corporations and establish stability in economies to increase the wealth of the nations. Because the stability of the economies of nations are related to each other (Bernardi and Bean, 2006), business ethics is important for the wealth of the nations.

Within business ethics, accounting ethics is one of the most important disciplines. The effect of accounting ethics is great on companies and economies. An increase in the numbers of enterprises means more need for accountants and inspection. However, increasing the number of accounting operations means less opportunity for inspection. The quality of the education of the accountants and their characteristics might decrease the need for inspection (James, 2008).

The new complicated structure of accounting has brought some difficulties on inspection and auditing. These difficulties can be addressed by spreading the education of accounting ethics. Accounting ethics can prevent whistleblowing before they happen. Thus the enterprises have to use accounting ethics education as a factor to decrease their risk and have to hire more qualified staff.

The methods of auditing on accounting seem to be inadequate. The sampling method is being used, but the mass is growing. The reliability of these samples is diminishing. On the other hand, it is possible to see the managers or the accountants taking some precautions to hide some of their unwanted transactions. This kind of transactions reduces the chance of catching any clue about the illegal transactions. In some regions, corruption is another problem. Bribery among the inspectors might be seen. Bribery might decrease the success of the auditing more than expected.

The regional factors, such as bribery, have significant effects, not only on auditing, but also on accounting ethics education. The existence of these factors can reduce the success of the accounting ethics education. But true methods can increase the efficiency of the accounting ethics education.

The regional factors can affect the efficiency of the accounting ethics education. Besides the intentions of the individuals have a significant impact on the efficiency of the accounting ethics education. The individuals can never have the desired shape and the aimed be-



havior types if they do not believe that accounting ethics education is necessary and they are not intended to behave ethically. If the students are obsessive and their intention is decisive, then any teaching method will be useless. These kinds of constraints can also be accepted as regional, because in some regions the number of obsessive people is incredibly high due to regional factors.

Accounting Ethics Education

Accounting ethics education is becoming more important with the increasing number of the corporations. Therefore, the importance of examinations that determine the level of accounting knowledge, such as the CPA exam, is also increasing (Mastracchio, 2008). The obligations of ethical education started with CPA examination and continued with accounting ethics courses. These courses have to be taken in Texas and Maryland by the accountants.

The harm of unethical intentions by accountants has been experienced with the bankruptcy of several corporations after Enron (Shawyer, 2006). It is now understood that ethical education on accounting is a necessity. But this education has to adopt the changing world and its needs.

The role of the universities on ethics education has been elaborated with many researches and the concept of education is discussed (Savaranamuthu & Tinker, 2002). On the other hand it is not possible for the universities to provide better ethics education by themselves without the existence of an efficient ethics education system. The circumstances of truth that are searched for and the most efficient accounting ethics education are also related to the individuals involved. The cognitive moral capability is important on accounting education, but it is not adequate by itself.

It is attempted to underline the importance of ethics education on accounting and this importance is explained with the individual capabilities (Hiltebeitel and Jones, 1991). The rules of education are elaborated with personal differences and it is tried to determine the appropriate rules of a successful education of accounting ethics (Hiltebeitel and Jones, 1992). The integration of ethics education into the accounting education is taken as the most important subject (Langenderfer and Rockness, 1989). Some main concepts of the researches

were related with the perceptions of the accounting educators (Cohen and Pant, 1989). The perceptions of the accounting and accounting ethics educators play a key role on the moral development of the students.

Ethical reasoning is usually used to describe socialization in accounting and it is seen that the development cognitive moral capability in accounting students is aimed, because it is associated with better ethical decision choices in practicing accountants (Ponemon, 1992). The influence of ethical reasoning also has significant effect on auditors' perceptions (Ponemon, 1993). Ethical reasoning research has used a cognitive-developmental perspective to investigate ways that educators and educational institutions may encourage the development of accounting students' cognitive moral capability (Ponemon and Gabhart, 1993).

James Rest proposed four component model of ethical behavior in 1986 (Rest, 1986). This model is improved by a new model that integrates James Rest's four component model of ethical behavior with the tenets of virtue ethics theory (Thorne, 1998). The basic idea behind Rest's four-component model is that "various (four) inner psychological processes together give rise to outwardly observable behavior" and the four processes are as follows (Rest et al, 1998):

1. Moral sensitivity: used to interpret the situation, determining roles that are able to affect the parties concerned, imagining cause-effect relations in the event chains, and being aware of the existence of the moral problem when it exists.
2. Moral judgment: judging the actions which would be most justifiable in a moral sense.
3. Moral motivation: the degree of commitment which takes the moral course of action, evaluating moral values over other values, and taking personal responsibility for moral outcomes.
4. Moral character: being consistent on a moral task, having courage to defend personal claims, over-coming fatigue and temptation, and implementing subroutines that serve a moral goal.



Moral development sensitivity is identified (Shaub, 1994) and the ethical perceptions of the accounting students are observed to define moral development sensitivity (Fulmer & Cargile, 1987). Ethical aspects which are about accounting are studied (Albrecht, 1992) and after these studies, determination of professional ethics for accountants has become the aim of some new studies (Brooks, 1995). Prescriptive Reasoning is defined among the concepts of Professional accounting ethics (Brooks, 2000). Ethical Judgment was already defined (Loeb, 1990). But the correlation between prescriptive reasoning and ethical judgment was discovered with the studies which are not about accounting ethics (Dobson and Armstrong, 1995).

Some academicians relate ethical motivation with ethical intention (Douglas et al, 1995). On the other hand some academicians relate ethical character with ethical behavior (Dirsmith & Ketz, 1987). They are separate correlations and both of these approaches are mostly accepted. Aquino seems to be correlating these approaches to each other and describing self-identity (Aquino and Reed, 2002).

The increasing number of the corporations and the expanding financial markets which are mostly dependent to the corporations changed the view of new era. Digital era is dominated with the increasing weight of the corporations. On the other hand, the operations of the corporations and their impacts are dominated with the accounting operations.

Increasing demand and need to the discipline of accounting brought some new issues with. For example, the true applications and the auditing is still a huge problem. Auditing is made by using sampling method and it is possible to make mistakes.

The increasing number of the corporations means more need to the accountants (Bernardi, 1994). The accountancy is spreading, but the auditing of the accountants is becoming difficult day by day. Many accountants are deciding to be an accountant just for their own interest.

The impact of accounting is increasing day by day. A financial crisis can be started by the accountants. For example, Lehman Brothers confronted bankruptcy due to the false transactions. About 500 billion dollars of money have

been evaporated with this bankruptcy and the crisis which is known as mortgage crisis started.

Ethics education on accounting has to be seen as a teaching discipline of the social values (Loeb, 1988). These social values can motivate the students in the right way (Huss and Patterson, 1993). The circumstances of the accounting ethics education can be developed by the true motivation, relatively (Lampe and Finn, 1994). Some new approaches to accounting ethics education have taken prescriptive reasoning as component of decision (Knapp et al, 1998). The ethical judgment can be taken as the main component of ethical process (Mintz, 1997).

Auditing the accountants is not as easy as it is expected. Because the number of the transactions are increasing and it is getting more costly to inspect all of these transactions. On the other hand, the knowledge of the accountants is increasing and they discover new methods to hide any information they prefer to hide. As a result of these improvements, the existing methods are not enough for auditing. New auditing methods can be used and the inspectors can be educated, which mean new costs.

The intention of the accountants is the most important thing which is necessary to be focused. When an accountant is decisive to hide any illegal transactions, then he will be striving to make it more successfully. With the experience, most of the accountants who are in a whistle-blowing or anything similar can hardly be caught as they have more space to move.

The accounting ethics educations are successful if they are able to improve moral identity and the intentions of the accountants (Armstrong, 1987). If the accounting ethics education is taught without injecting the necessary ethical intentions, it is possible to see that business and economics education may deteriorate the ethical understanding of the students (Greenberg, 2002). The poor moral reasoning of the students is another trouble for ethical education (Jeffrey, 1993). The students also have some worries about the accounting ethics courses and the endeavors of the professors are not enough for some students (Bean and Bernardi, 2007).

Auditing has constraints like time and knowledge. Every corporation has their own structure and they manage this structure with the necessary information. But it is not possible



for an inspector to understand the structure of a corporation easily and to see the lacking or misused applications in the period of time which he can save for that company.

Auditing is also necessary for academicians. If the professors teach accounting ethics with the purpose of just teaching the necessary subjects without creating a philosophy, then the results and the efficiency of these courses will be limited and the students may be complaining about the lack of necessary ethical understanding.

If the mentality of the accountants is important, then the accountants are the ones to be educated instead of the inspectors. That is why accounting ethics education is as important as auditing. With the true educations and courses, the capability accountants will be improved and their tendencies will be shaped. The necessity of sticking to the rules and true applications will be taught.

An institutional approach for accounting ethics is necessary to build an efficient ethics education structure (Sisaye, 1997). Some academicians propose that an initial course in ethics, rooted in philosophy and ethical reasoning, may be taken before an accounting ethics course to give the necessary philosophy of ethics (Bean & Bernardi, 2005).

The Necessity of Accounting Ethics Education

The crisis of United States rooted long before 2008 mortgage crisis. The structure of the corporations deteriorated after Enron and WorldCom and in US, with or after Enron many corporations have gone into bankruptcy (Bean & Bernardi, 2007). After these bankruptcies and the lessons learnt from these failures, the accounting profession has had to be reviewed and its implications were improved (Duska & Duska, 2003).

Some academicians conducted research about accounting ethics with the reliance to the accounting ethics to prevent new crises long before all these crises (Armstrong and Mintz, 1989). Some of the researches, in trying to make a model of accounting ethics education, have focused on the importance of moral development (Welton et al, 1994). These studies have

shown that ethical education can be improved with additional courses (Dellaportas, 2006). After all these proposals, National Association of State Boards of Accountancy required 6 hours of accounting ethics course at first, later the credit of the required course became 3. This three hour course is accepted by Texas State Board of Public Accountancy and by Maryland (Klimek and Wenell, 2011). These courses are an obligation for the junior accountants in Texas and Maryland.

The content of ethical education is also researched and recent investigation of accounting literature indicated that there is a great need to expand the ethical content of accounting education (Sikka et al., 2007). The subjects of the CPA exams are increasing. The accounting ethics education is offered by National Association of State Boards of Accountancy for the CPA exam. The ethical course is proposed as an obligation for the accountants by National Association of State Boards of Accountancy for every state of United States (Bernardi and Bean, 2006). But only Texas and Maryland took these courses as an obligation. The CPA courses have to be taken before this exam. On the other hand TSPBA has some confusion about the course materials and the worried about the adequacy of the content of these materials. The proposed course material found acceptable at one meeting, but the same material was not found acceptable at another meeting and finally it became acceptable again (Vanzante & Ketcham, 2005). The confusions of TSPBA are very obvious.

Accounting ethics education is an obligation in Texas and Maryland. Three credits of accounting ethics courses should be taken by undergraduates to take the CPA certificate. The CPA certificate has two events, first is about accounting and accounting knowledge is enough to pass this event. The second is about the accounting ethics and ethics education or a strong ethical reasoning is necessary to be able to pass this event. CPA examination is another obligation for the accountants in USA (Armstrong, Ketz & Owen, 2003).

USA has suffered from the lack of auditing more than any other countries. New methods to prevent the possible harms of accountants are being used. The 3 hour accounting ethics education course is an example of these new methods. But the structure of USA is open to new issues.



In USA, the structure of the universities is not available enough to increase the efficiency of the accounting ethics education. The courses are mostly being given for the purpose of passing the CPA exam and the impacts of these courses were temporary. In other words, these courses are not able to provide a new point of view for the accountants. These courses are just given to pass the CPA exam.

The professors and the lecturers also focus on this purpose. Accounting ethics education is not given enough during the doctoral education in USA either. The doctoral programs are not prepared with this purpose. The main aim is increasing the knowledge of accounting. The participants of the doctoral programs cannot take the necessary ethical education, because it is not necessary for them. They do not need to pass a CPA examination.

The students are not able to get an ethical education of high quality in private universities either, because the private universities focus on the demands of the students. They do not prefer to focus on the purposes which are not required by the students, such as creating an ethical identity for the students. On the other hand in USA, the private universities are accepted better on teaching accounting ethics. The dimension is the success on CPA exam. This dimension seems not enough to evaluate the ethical approach of the private universities. Michaels and Miethe (1989) reported %42 rate of cheating behavior among the students. It is known that the tolerance for cheating is higher in private universities. Not only in USA, but also in some other countries like Australia, CPA is necessary to be an accountant.

Ethical Reasoning and Cognitive Moral Capability

For many years, researchers have based their measurement of ethical reasoning abilities on cognitive moral capability. Cognitive moral capability is first known with Kohlberg's model of moral development, the Cognitive Moral Theory (CMT) (Armstrong, 1993; Bernardi, 1994). Kohlberg (1969) identified three major levels of moral judgment in children: pre-conventional, conventional, and post-conventional in cognitive moral theory. These major levels can explained like that: at the pre-conventional level, a child has not yet become aware of social conventions. In the conventional level, children no longer

perceive individuals such as parents as authority but instead view social groups as authority. In the post-conventional level, a child's morality goes beyond the frame of reference of any one particular society (Dubuc, 2002). For each level, Kohlberg proposed two stages of moral development as follows: pre-conventional stage - (1) punishment and obedience. Most children are at the pre-conventional level, and most adults have reached the conventional level (Kohlberg, 1981). However, Kohlberg estimated that only 20 to 25% of adults will ever reach the post-conventional level of morality (Kohlberg, 1984).

Cognitive moral capability is used to describe the most complicated cognitive moral structure which can use to define and solve the moral dilemmas. However cognitive moral capability describes the degree to which a person is potentially capable of using principled considerations to resolve the moral dilemmas. Cognitive-developmental researchers mostly prefer to use context-free approaches and measures to ensure that they can capture the most sophisticated considerations individuals are capable of using and accordingly, cognitive moral capability ignores the actual cognitive considerations an individual applies in the resolution of moral dilemmas encountered in everyday life (Rest, 1994).

Rest (1994) describes two cognitive processes or structures, prescriptive and deliberative reasoning, which are integral to an individual's moral reasoning processes. Prescriptive reasoning involves the formulation of what should ideally be done to resolve a particular moral dilemma. Deliberative reasoning involves the formulation of an intention to act on a particular moral dilemma. Prescriptive and deliberative reasoning are actually not necessarily of the same degree of moral sophistication as cognitive moral capability. Prescriptive and deliberative reasoning are directly affected by context, while cognitive moral capability theoretically is unaffected by context.

The researches should take the extent into account, which is used by the cooperative accounting students to use their cognitive moral capability for their moral decision making. The conclusions of the studies should show that cooperative accounting students do not use their full cognitive moral capability to solve the problems of accounting-specific moral dilemmas. These conclusions do not mean that there is a



lack of moral cognition in accounting students, they mean that they provide an opportunity for educators to find alternative approaches which can encourage accounting students to use more principled opinions for resolving accounting-specific moral dilemmas (Thorne, 2001).

Measurement of prescriptive reasoning and deliberative reasoning requires the use of situation-specific measures that capture realistic moral dilemmas typical of those encountered in a particular context (Thorne, 2000). Shaub (1994) and Arnold (1997) identify the need to conduct context-specific research into accounting students' and accountants' moral reasoning. This contention is supported by applied cognitive-developmental researchers (e.g. Jones, 1991; Trevino, 1986). It is recognized that context-specific attributes may have significant effects on the moral reasoning of individuals. The cognitive-developmental perspective can provide useful conclusions which can be used to understand the ethical perception of accounting students. Further, these kinds of studies may contribute new methods to educational research in accounting ethics.

The usual and traditional researches of accounting ethics education research have been on developing the cognitive moral capability of the students and understanding the point of views who study accounting profession. On the other hand, it is discussed whether accounting students are able to use their cognitive moral capability to resolve the accounting-specific moral dilemmas or they prefer to resolve these dilemmas.

It is always said like knowing is a thing but doing is another thing. The accounting students might have a high cognitive moral capability, but they might be avoiding sticking the ethical behaviors to keep their own interests. If the students have such a different intention, then the accounting ethics courses will just be a tool for them to use on their way to discover new methods of hiding their wrong transactions.

The hiding tendency of the accountants does not just depend on the worry of hiding the wrong transactions. Another reason of hiding information from the inspectors is the demand of the customers. The best accountants are the accountants who can harmonize the demands of the customers with the ethical applications. But it is sometimes not possible to convince the cus-

tomers to behave ethically. This dilemma is the most important affair of the accountants. They try to resist to the demands of the customers.

Cognitive moral capability can be developed and it can be used when it is required. The purpose of the ethical courses is increasing the cognitive moral capability of the students. There are limits for the increase of cognitive capability and most of these limits are determined by the individuals and their intentions.

Regional Differences

Some regions have obvious differences comparing to another. For example, respect is more important in Asia, as it is in Europe. The cultural differences can also be seen as regional differences. Stealing is a great shame in Romania and Ukraine, no matter how poor you are. Some nations can somehow tolerate stealing, but some nations can never.

The cultural characteristics of the people who live in a region are a dominant factor. The base of the culture and the traditions of the people who live in that region can shape the regulations. Some regulations can be flexible and the flexible structure of these regulations can be shaped by the region. On the other hand any gaps which can be caused by the cultural differences can be filled by the regulations. These regulations, which are not necessary for every region, can be different. These differences determine the conditions of the region.

The regional differences are not always cultural. Some regions take plenty of immigration and it is difficult to determine the commonly accepted behaviors. The legal applications are more dominant in these regions. The cultural reactions can be unpredictable. The most dangerous feature of these regions is the probability of the reaction of the people. The reactions will be against the regulations and the people will resist the regulations. The first resistance will be the endeavor of hiding the undesired applications or avoiding some certain applications. In other words, the people will try to move around the regulations.

The second reaction depends on the success of the following of the regulations. If the regulations are strictly inspected and the people are not able to find an alternative way, then the reactions will be increasing and the results will



be unpredictable. The unpredictable results may vary according to each region. In some regions, these reactions might be very intense.

The complicated regulation of the governments and the lack of knowledge about these regulations cannot be compensated by educating the students. If the government personnel and the officers are not aware of the regulations, then various problems, not depending on the accountants, may occur. Complicated regulations mostly end with bribery. Instead of complicated regulations, it is better to accept short and more suitable applications.

The government incentives are another factor which is among the regional differences. More incentives may change the profile of the company owners. With the changing profile the people might be starting to behave unethically.

Methodology

42 accountants from İstanbul, Elazığ, Erzincan and Tunceli are interviewed. An ethics test which is similar to DIT test is used. The results are analyzed qualitatively. 6 cases are used to explore the weaknesses of the accountants. İstanbul is accepted to be a region and Elazığ, Tunceli and Erzincan are accepted to be another region all together. 22 accountants are from İstanbul and 20 accountants are from Elazığ, Tunceli and Erzincan region.

None of the directions given in 6 cases are ethical. 3 of these cases have high returns and 3 of these cases have very low returns but include sentimental factors. In other words, obeying the directions given by the customers might bring high returns in three of these cases and obeying the directions given by the customers is just related with the feeling of guilt in three of these cases.

Findings

The accountants from İstanbul mostly obeyed the transactions with higher returns. 66 cases for 22 accountants had higher returns and 47 of these cases were accepted by the accountants. 71, 2% is the rate of accepting the transaction advices with higher returns. The accountants from Elazığ, Tunceli and Erzincan have lower rate such as 28, 3%. 17 inquiries of the 60 cases for 20 accountants were accepted by this group.

The members of accountant group of İstanbul were more relaxed while they were answering the questions of the questionnaire. But the accountants of the other group were more excited and never sure about that this was a secret inspection or the results may be learned by their relatives. They confirmed that they are convinced about these points, but they were still looking excited. This excitement might be a characteristic of the people of that region or it might be a constraint for the research.

The sentimental factors were much more important for the accountants from Elazığ, Erzincan and İstanbul. The accountants from İstanbul have ignored these factors. 7 of the total 60 decisions for these 20 accountants were positive on obeying the given directions. The rate seems to be 11, 6%. The rate of the other group is 4, 5%. Among the total 66 decisions which are made by 22 accountants of this group, only 3 were positive on obeying these orders.

The reasons were also asked, but they were not written. The results are an evidence of the cognitive differences between the people of these two regions. The accountants might have different understanding of ethics everywhere, but this difference seems to be more than expected. The rates are almost doubled by another group each time.

Conclusion and Future Plans

The cultural factors or life styles have incredible impacts on accounting ethics. Every region has its own weaknesses. Our research has shown that the accountants of İstanbul are more sensitive about their stakes. It is their weakness. On the other hand our research has shown that the accountants of Elazığ, Erzincan and Tunceli region are more sensitive about sentimental factors. This is also a weakness and pushes the accountants to behave unethically.

The regional impacts should shape the accounting ethics education. The aim should be decreasing the harm of the weaknesses. The harm of these weaknesses can be hidden. So before starting an education program, these weaknesses should be explored.

The accounting ethics education is affected by the capability of the individuals and their intentions. If the individuals are decisive to learn more from an accounting ethics education,



then they will be able to learn more from ethics education. The personality can both courage or discourage ethical decision making together with the environmental factors (Ford and Richardson, 1994). The personality of the people may just reduce or increase the impact of environment.

Observation is the key to determine the most optimum teaching method. The individuals can be observed and the accounting ethics education can be harmonized with the intentions and the needs of the individuals. The common characteristics of the individuals may be different in different regions. The barriers of uncertainty can be passed after making clear observations and using these observations to explore the common characteristics of the people.

The administrators who are responsible to decide the teaching method should be aware of the features of the region and the characteristics of the people living in that region. Any lacking knowledge might arise critical conclusions in time. USA can be shown as an example. The cultural structure might be changing too fast and the people might be behaving independent from their culture. The regional structure is not clear. Uncertainty is one of the biggest threats, and can be seen as more than a weakness. USA failed to decide the necessary policy due to such dilemmas like this and the accounting crises which happened in USA is evidence.

Some front courses to prepare the students for ethical education are mostly offered and it can work for some regions. On the other hand, accounting ethics education is not an obligation. Only Texas and Maryland accepted three hour accounting ethics courses as an obligation. Texas and Maryland governments are another example of the governments which prefer to take different decisions in action (Klimek and Wenell, 2011).

Texas and Maryland attempted to decide the necessary applications for their region. Every government should check the circumstances of their region and attempt to blend the existing policies and methods for a better performance. The most optimum accounting ethics education can only be created after the formation of these policies.

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Appendix

Original Questionnaire
Age
Gender
Residence

Please mention that whether the given directions should be obeyed or not with the reasons.

CASE-1

A client of yours, who has trouble on paying its credits, is requesting your assistance. His/her request is preparing financial statements which may help on borrowing more. He/she is also telling you that if no credit can be borrowed by the company, it will be more difficult and his/her relative is about to have a surgery which is too expensive.

Direction: preparing the financial statements in a way to look better.

CASE-2

A very old friend of yours is telling you that his son has made mistakes on the accounting records. You know him and his son very well and you can estimate that his son arranges



everything for his own interest. Your friend requires you to market he records legally arranged.

Direction: preparing the accounting records again to make them legal.

CASE-3

The company of a chain is about to provide an agreement between you and the whole members of the chain. But the requirement of the company is showing its profit more than it is. Otherwise the agreement may not be signed.

Direction: showing the profit more than it is.

CASE-4

A good customer of yours does not want some transactions to be shown on the records. Most of the revenue of your company is gained from this company. According to your understanding, these transactions should be shown on the records. But your customer has supported you and your company since the establishment in an unforgettable way.

Direction: hiding some transactions.

CASE-5

Your customer wants the profit to be shown lower. His aim is by using the suppliers. He wants to take some of this profit in to his account by using the suppliers. He wants to show the amount paid for his costs and raw material more than it is. As some of his suppliers are sole proprietorships, it seems that it will be easy for him. If you do not obey this direction, you will not get promoted.

Direction: showing the profit less than it is.

VAKA-6

Your customer mentioned that he is in a very bad situation this year. He did not even paint his house. He is your neighbor at the same time. If his profit would be higher this year, he is going to pay high taxes. He requires your help to show his profit to avoid taxes. His contribution to your company is very low comparing to the other customers.

Direction: showing the profit less than it is.

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