

The Interaction of Ethics and the Management Control System: A Case Study

ABSTRACT: A fact based case is presented which deals with ethics in a division of a decentralized manufacturer of industrial products headquartered in the United States. The division's newly appointed controller needs your help in assessing the extent to which the current management control system may have encouraged non ethical behavior. By completing this case successfully, you will learn how to identify an ethical dilemma including the interaction of elements of the management control system with the ethical dilemma. You will also learn how to apply a professional ethical framework, identify and evaluate alternative courses of action and arrive at a reasonable conclusion. .