



Ethics Assessment Methods in Accounting Education: A Multi-Method Framework for Measuring Moral Reasoning, Professional Judgment, and Ethical Behaviour

Nasim Rahman, PhD

Department of Commerce, North Valley University, Guwahati, India

Ananya Kapoor, PhD

School of Business and Management, Eastern Institute of Finance, Kolkata, India

Md. Arif Hossain, MBA, MPhil

Department of Accounting, Barak Valley College, Silchar, India

Abstract

Ethics is a core competency in the accounting profession, yet accounting programs often struggle to assess ethical learning outcomes with rigor and consistency. While curricula may include professional codes, case discussions, and compliance content, assessment frequently remains limited to recall-based tests or attendance-oriented participation marks. This article reviews and synthesizes contemporary approaches to ethics assessment in accounting education and proposes an integrated, multi-method assessment framework aligned with professional expectations and accreditation-driven assurance of learning. Grounded in competency-based education principles and professional standards for values, ethics, and attitudes (e.g., IFAC/IAESB guidance and the International Code of Ethics), the framework combines (a) moral reasoning measurement (e.g., Defining Issues Test), (b) scenario-based professional judgment tasks, (c) rubric-scored written case analyses, (d) structured reflective writing, (e) peer/team ethics process evaluation, and (f) behavioral simulations such as role-plays and objective structured assessments. A practical blueprint is offered for implementation, including construct definitions, assessment mapping, reliability and validity considerations, and continuous improvement cycles. The article concludes with recommendations for educators and program leaders to strengthen ethics measurement using triangulation, transparent rubrics, and longitudinal tracking..

Key word: accounting education, ethics assessment, moral reasoning, professional judgment, rubrics, assurance of learning, simulation-based assessment

Introduction

Ethical failures in financial reporting, audit practice, corporate governance, and tax planning have repeatedly shown that technical competence alone is insufficient for professional accountants. Because accountants operate in environments of conflict of interest, information asymmetry, and high stakeholder reliance, ethical decision-making is not an optional “soft skill” but a foundational professional competency. Professional bodies emphasize ethics and professional values as expected outcomes of initial professional development. International

education guidance explicitly includes professional values, ethics, and attitudes as learning outcomes for aspiring professional accountants. ([IAC](#))

Despite that emphasis, accounting programs often face a practical question: **How do we assess ethics in a way that is valid, fair, and meaningful?** Many institutions rely heavily on multiple-choice quizzes about professional codes or short case answers graded without explicit criteria. These approaches can test awareness of rules, but ethics competence is broader: it includes moral reasoning, professional skepticism, ethical sensitivity, ethical judgment, ethical intent, and the ability to act appropriately under pressure.

Assessment quality matters for at least four reasons. First, what gets assessed tends to drive learning behavior; if students only expect code recall questions, they will focus on memorization rather than ethical reasoning. Second, accreditation and assurance-of-learning systems demand evidence that learning goals are achieved and improved over time. ([AACSB](#)) Third, employers expect graduates to apply ethics under ambiguity, time constraints, and organizational pressure. Fourth, poorly designed ethics assessment can be counterproductive, encouraging performative “right answers” rather than authentic moral reflection and professional judgment.

This article addresses these challenges by (1) reviewing major categories of ethics assessment methods used in accounting education, (2) highlighting measurement issues and common implementation pitfalls, and (3) proposing a **multi-method, triangulated framework** that aligns ethics assessment with professional expectations such as the International Code of Ethics for Professional Accountants issued by IESBA. ([Ethics Board](#))

2. Conceptual Foundations: What Exactly Should Be Assessed?

A frequent reason ethics assessment fails is construct confusion—programs do not define what “ethics competence” means in measurable terms. Ethics competence in accounting education can be decomposed into related but distinct constructs:

1. **Ethical knowledge and code literacy:** familiarity with principles, threats and safeguards, independence concepts, confidentiality, and professional conduct (often grounded in professional codes). ([Ethics Board](#))
2. **Ethical sensitivity:** recognizing that a situation contains an ethical issue (issue spotting).
3. **Moral reasoning / moral judgment:** the quality of reasoning used to justify a decision (e.g., principled reasoning vs. self-interest).
4. **Professional judgment under standards:** applying codes and standards to ambiguous scenarios (threats, safeguards, stakeholders, consequences).
5. **Ethical intention and behavioral readiness:** willingness to act ethically despite pressure, incentives, or authority.
6. **Ethical behavior and communication:** ability to communicate concerns, document decisions, seek consultation, and escalate appropriately.

Professional education guidance stresses that ethics outcomes are not just knowledge-based, and it recognizes formal assessment as part of demonstrating achievement. ([INCP](#)) Therefore, ethics assessment should not be a single instrument but a **programmatic approach** that uses multiple methods across time, building evidence of competence.

3. Review of Ethics Assessment Methods in Accounting Education

This section organizes ethics assessment approaches into practical categories, describing what each method measures, how it is implemented, and what limitations educators must manage.

3.1 Code-Based Knowledge Tests (MCQ/Short Answer)

What it measures: Recall and comprehension of ethics codes, definitions, independence rules, conceptual framework components, and compliance requirements. These assessments align naturally with formal codes such as the IESBA Code. ([Ethics Board](#))

Strengths: Efficient, scalable, objective scoring, useful for minimum competency verification (e.g., baseline code literacy).

Limitations: Risks reducing ethics to “rule memorization.” High scores can coexist with poor ethical judgment in real contexts. These tests often fail to measure reasoning, courage, or stakeholder analysis.

Best practice: Use as one component only; design items around application and interpretation rather than definitions alone.

3.2 Rubric-Scored Case Analysis (Written Cases)

What it measures: Ethical sensitivity (issue spotting), structured reasoning, stakeholder identification, application of ethical frameworks and codes, and quality of justification.

Implementation: Provide cases resembling audit conflicts, management pressure, aggressive revenue recognition, tax planning dilemmas, or whistleblowing contexts. Students submit a structured memo: facts, issues, stakeholders, relevant code principles, options, safeguards, decision, and documentation.

Strengths: Captures depth of reasoning; enables explicit criteria and feedback; aligns well with assurance-of-learning rubrics.

Limitations: Time-intensive grading; inter-rater reliability issues unless rubrics are well-defined and graders are calibrated.

Best practice: Use analytic rubrics with performance descriptors; conduct rater calibration sessions and moderation.

3.3 Standardized Moral Reasoning Instruments (e.g., DIT/DIT-2)

What it measures: Moral judgment development and preference for principled reasoning. The Defining Issues Test (DIT and DIT-2) is a widely used validated instrument for moral reasoning assessment. ([Online Ethics](#)) The DIT-2 revision and its psychometric grounding are documented in foundational research. ([SCIRP](#))

Strengths: Research-backed; supports pre/post comparisons; allows benchmarking and longitudinal tracking; relatively resistant to simple “faking” compared to direct self-report ethics attitude surveys.

Limitations: Measures general moral reasoning more than accounting-specific professional judgment; requires licensing/permissions in many contexts; cultural/contextual interpretation must be handled carefully.

Best practice: Combine with accounting-specific scenario tasks; interpret results as one dimension of ethics competence, not a full proxy.



3.4 Ethical Decision-Making Scenarios (Situational Judgment Tests)

What it measures: Professional judgment in context—how students choose among realistic actions under constraints (authority pressure, client threats, performance incentives).

Implementation: Present short vignettes with multiple response options; ask students to rank best/worst actions and justify their selection using ethical principles and professional standards.

Strengths: Measures applied judgment; scalable; can be statistically analyzed; closer to workplace decision dynamics.

Limitations: Requires careful design to avoid obvious “textbook right answers”; needs validation to ensure items measure intended constructs.

Best practice: Use iterative item development with subject matter experts and pilot testing; include justification to reduce guessing.

3.5 Reflective Journals and Structured Reflection

What it measures: Ethical self-awareness, values articulation, reflection on dilemmas faced in internships or projects, and development of professional identity.

Strengths: Encourages internalization; reveals reasoning processes; supports professional formation goals.

Limitations: Susceptible to social desirability bias; scoring can be subjective; students may write what they think instructors want.

Best practice: Use structured prompts and rubrics emphasizing depth of reflection and evidence of learning rather than “being moral.”

3.6 Oral Defenses, Viva Voce, and Ethics Debates

What it measures: Communication of ethical reasoning, ability to defend decisions, responsiveness to challenge, and clarity under questioning.

Strengths: Captures real-time reasoning; difficult to outsource; develops professional communication.

Limitations: Consistency issues, potential bias, time constraints.

Best practice: Use standardized question banks and scoring rubrics; consider panel evaluation for high-stakes assessments.

3.7 Simulation, Role-Play, and OSCE-Style Assessments

What it measures: Behavioral competence—how students respond in interpersonal ethics situations (client pressure, partner intimidation, internal reporting).

Implementation: Students participate in structured role-plays with trained evaluators or standardized participants. Performance is scored against behavioral anchors: issue recognition, consultation, documentation, professional tone, escalation decisions.

Strengths: High authenticity; assesses action and communication; aligns with workplace readiness.

Limitations: Logistics-intensive; needs training; requires careful standardization for fairness.

Best practice: Start small with one or two stations; record sessions for moderation and student feedback.



3.8 Peer Assessment and Team Ethics Process Metrics

What it measures: Ethical conduct in teamwork—fair contribution, honesty in reporting, respectful decision-making, and transparency.

Strengths: Captures ethics-in-practice; promotes accountability.

Limitations: Peer conflict and popularity bias; students may collude.

Best practice: Use anonymous tools, triangulate with instructor observation, and focus on process evidence.

4. A Multi-Method Ethics Assessment Framework for Accounting Programs

A single ethics exam cannot measure ethics competence. Therefore, this article proposes a programmatic assessment design based on triangulation and alignment with (a) professional standards and codes and (b) assurance-of-learning cycles used in accreditation. ([AACSB](#))

Figure 1

Integrated Ethics Assessment Framework in Accounting Education (Triangulation Model)

Inputs/Standards Improvement	Learning Activities	Assessment Evidence
IESBA Code, IFAC/IES4	-> Cases, simulations, debates	-> (1) Code literacy test (low stake) -> Rubric calibration
Accreditation goals	Reflection & internships	(2) Rubric-scored case memo Item refinement
Stakeholder expectations	Professional identity formation	(3) DIT-2 / moral reasoning measure
Curriculum changes	(4) Scenario SJT + justification	Faculty development
	(5) Simulation/role-play performance	Longitudinal tracking
	(6) Reflection journal (structured)	Feedback loops

Note: IESBA Code and professional education outcomes provide a reference point for ethics content and expectations. ([Ethics Board](#))

5. Practical Assessment Blueprint

This section provides a step-by-step guide for implementing the framework at course and program levels.

5.1 Define Ethics Learning Outcomes (Measurable Statements)

Programs should write outcomes using observable verbs and performance conditions. Examples:

- **EO1 (Code Literacy):** Identify and interpret relevant professional principles, threats, and safeguards in accounting dilemmas. ([Ethics Board](#))
- **EO2 (Issue Spotting):** Detect ethical issues and conflicts of interest in ambiguous accounting scenarios.
- **EO3 (Reasoning Quality):** Justify decisions using principled reasoning and stakeholder analysis.
- **EO4 (Action Readiness):** Demonstrate appropriate escalation, consultation, and documentation behaviors in simulated contexts.



5.2 Build an Assessment Map (Where Outcomes Are Assessed)

Ethics should appear across the curriculum—introductory exposure, intermediate practice, capstone demonstration. A simple map:

- Year 1: EO1 baseline test + short cases
- Year 2: rubric-scored memo + scenario SJT
- Year 3: internship reflection + debate/oral defense
- Final year/capstone: simulation role-play + integrated ethics case

5.3 Use Rubrics Designed for Reliability

A recommended analytic rubric for written cases might include:

1. **Issue Identification (0-4)**
2. **Stakeholder Analysis (0-4)**
3. **Code/Principles Application (0-4) ([Ethics Board](#))**
4. **Options and Safeguards (0-4)**
5. **Decision Justification & Documentation (0-4)**
6. **Professional Communication Quality (0-4)**

To improve inter-rater reliability: provide anchor examples, train graders, and run moderation.

6. Comparative Summary of Methods

Table 1

Comparison of Ethics Assessment Methods in Accounting Education

Method	Primary construct	Strength	Key limitation	Best use
Code-based MCQ/SA	Knowledge/code literacy	Efficient, objective	Overemphasizes recall	Baseline/threshold
Rubric-scored case memo	Applied reasoning	Deep measurement	Grading workload	Mid/high-stakes
DIT/DIT-2	Moral judgment	Validated research tool (SCIRP)	Not accounting-specific	Program evaluation
Scenario SJT	Contextual judgment	Scalable, job-like	Needs validation	Course-level evidence
Reflection journals	Professional identity	Internalization	Social desirability	Internship/capstone
Oral defense/debate	Communication & reasoning	Real-time thinking	Consistency bias	& Small cohorts
Simulation/role-play	Behavioral competence	High authenticity	Logistics	Capstone

7. Measurement Quality: Validity, Reliability, and Fairness

Ethics assessment must be defensible. Three quality dimensions are essential:

7.1 Validity

Validity is the degree to which evidence supports the interpretation of assessment results. Programs should collect evidence that assessments represent ethics constructs (content

validity), relate to expected measures (criterion validity), and show appropriate internal structure (construct validity). Using professional standards to define content strengthens content validity. ([INCP](#))

7.2 Reliability and Rater Consistency

For rubric-scored work, reliability improves when multiple raters apply the same rubric to anchor samples and reconcile differences. For simulations, standardized prompts and behavioral anchors reduce rater drift.

7.3 Fairness and Inclusion

Ethics scenarios must be culturally sensitive and accessible. Language complexity should not overshadow ethical reasoning. Provide accommodations where appropriate and ensure that scenarios do not privilege specific socio-economic experiences.

8. Implementation Example: A One-Semester Ethics Assessment Package

A practical course design can implement triangulation without becoming unmanageable:

1. **Week 2:** Code literacy quiz (10%)
2. **Week 5:** Scenario SJT + justification (15%)
3. **Week 8:** Written case memo with rubric (25%)
4. **Week 10:** DIT-2 (ungraded, research/diagnostic) ([Online Ethics](#))
5. **Week 12:** Role-play simulation (20%)
6. **Week 14:** Reflection journal + professional development plan (20%)
7. **Participation:** Structured, evidence-based (10%)

This distribution prevents any single tool from dominating and supports both learning and accountability.

9. Suggested “Image” for the Paper (Insertable in a Word/PDF Manuscript)

Image 1 (Concept Illustration)

Title: “Ethical Decision Point in an Audit Engagement—Pressure vs. Professional Duty”

Description: A classroom-style illustration showing a junior auditor receiving a message from a manager: “Client wants us to overlook this adjustment; it will delay filing.” The illustration includes visible prompts: *Identify threats (self-interest, intimidation), safeguards (consultation, escalation), documentation steps, and final decision.*

(This image can be created as a simple infographic using Canva/PowerPoint for the final manuscript.)

10. Discussion: Common Pitfalls and How to Avoid Them

One common pitfall is treating ethics as a single chapter rather than a longitudinal competency. When ethics content is isolated, students perceive it as less important than technical chapters. A second pitfall is confusing compliance with ethics; students must learn to reason under ambiguity, not only quote rules. A third pitfall is grading reflection as morality—reflection should be graded on depth of analysis, integration with standards, and evidence of learning, not on whether a student claims to be ethical.

Another major pitfall is failing to close the loop. Assurance-of-learning logic requires acting on results—if students underperform in “safeguards and escalation,” then curricula should add

practice opportunities and re-measure. AACSB-style assurance-of-learning resources emphasize systematic processes and continuous improvement rather than one-time measurement. ([AACSB](#))

11. Implications for Educators and Program Leaders

For instructors, the key implication is that ethics assessment must become **designed, not improvised**—clear outcomes, purposeful methods, and feedback-rich tasks. For program leaders, the implication is that ethics should be treated as a program-level learning goal, evidenced across courses using shared rubrics and periodic benchmarking. Professional codes provide stable reference points for content and decision structures. ([Ethics Board](#))

Institutions can also build faculty capability by sharing case libraries, running rubric calibration workshops, and maintaining a repository of validated scenario items. Over time, programs can evolve from knowledge-heavy ethics tests to authentic assessments that capture reasoning and action.

12. Conclusion

Ethics assessment in accounting education is challenging because ethics competence is multi-dimensional: knowing the rules is necessary but insufficient; students must also recognize ethical issues, reason well under uncertainty, communicate professionally, and act appropriately under pressure. This article argues for a programmatic, multi-method assessment approach that triangulates evidence from code literacy checks, rubric-scored case analysis, standardized moral reasoning instruments, scenario-based judgment tests, reflective writing, and simulation/role-play performance. Grounding assessment design in professional standards and assurance-of-learning cycles improves defensibility and relevance. Implemented well, ethics assessment becomes not merely a grading mechanism but a driver of professional formation—supporting graduates who can uphold the public interest in complex real-world settings.

References

1. AACSB International. (2025). *2020 AACSB business accreditation standards (updated Feb 28, 2025)*. AACSB. ([AACSB](#))
2. AACSB International. (2021). *Curricula management and assurance of learning (AOL) white paper (Standard 8)*. AACSB. ([AACSB](#))
3. Choi, Y. J., et al. (2020). Validity study using factor analyses on the Defining Issues Test. *PLOS ONE*. ([PLOS](#))
4. International Accounting Education Standards Board (IAESB). (2019). *Handbook of international education standards*. IFAC. ([IAC](#))
5. International Ethics Standards Board for Accountants (IESBA). (2024). *2024 handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*. ([IFAC Web](#))
6. International Ethics Standards Board for Accountants (IESBA). (2025). *2025 handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*. ([Ethics Board](#))
7. Online Ethics Center. (n.d.). *Defining Issues Test (DIT and DIT-2)*. ([Online Ethics](#))



8. Rest, J. R., Narvaez, D., Thoma, S. J., & Bebeau, M. J. (1999). DIT2: Devising and testing a revised instrument of moral judgment. *Journal of Educational Psychology*, 91(4), 644–659. <https://doi.org/10.1037/0022-0663.91.4.644> (SCIRP)
9. (Add these commonly used academic references in your final manuscript as needed—no URL required)
Arens, A. A., Elder, R. J., & Beasley, M. S. (latest ed.). *Auditing and assurance services*. Pearson.
Ferrell, O. C., & Fraedrich, J. (latest ed.). *Business ethics: Ethical decision making and cases*. Cengage.
Kohlberg, L. (1981). *The philosophy of moral development*. Harper & Row.
Rest, J. R. (1986). *Moral development: Advances in research and theory*. Praeger.
Treviño, L. K. (1986). Ethical decision making in organizations: A person–situation interactionist model. *Academy of Management Review*, 11(3), 601–617.