Avett Manufacturing Company allows employees to purchase materials, such as metal and lumber, for personal use

at a price equal to the company’s cost. To purchase materials, an employee must complete a materials requisition

form, which must then be approved by the employee’s immediate supervisor. Brian Dadian, an assistant cost

accountant, then charges the employee an amount based on Avett’s net purchase cost.

Brian is in the process of replacing a deck on his home and has requisitioned lumber for personal use, which has

been approved in accordance with company policy. In computing the cost of the lumber, Brian reviewed all the

purchase invoices for the past year. He then used the lowest price to compute the amount due the company for the

lumber.

The Institute of Management Accountants (IMA) is the professional organization for managerial accountants. The

IMA has established four standards of ethical conduct for its members: Competence, Confidentiality, Integrity and

Crediability.These standards are available at the IMA website: www.imanet.org.

To find the article within the IMA website, click on Research and Publications, next click on Statements on

Management Accounting. To the left under SMA Topics locate Business Leadership and Ethics. Scroll down until you

locate the article " IMA Statement of Ethical Professional Practice".

REQUIREMENT:

Using the IMA’s four standards of ethical conduct, evaluate Brian’s behavior. Has he acted in an ethical manner?

Why?

FORMATTING REQUIREMENTS

12-Point Times New Roman Font

Cite Used Sources If Applicable

1-2 pages in length