

Jacquie Boynton was just hired as assistant director of Key West Stores. The company is a specialty chain store with nine retail stores concentrated in one metropolitan area. Among other things, the payment of all invoices is centralized in one of the departments Jacquie will manage. Her primary responsibility is to maintain the company's high credit rating by paying all bills when due and to take advantage of all cash discounts.

Phelan Carter, the former assistant treasurer who has been promoted to treasurer, is training Jacquie in her new duties. He instructs Jacquie that she is to continue the practice of preparing all checks "net of discount" and dating the checks the last day of the discount period. "But", Phelan continues, "we always hold the checks 4 days beyond the discount period before mailing them. That way, we get another 4 days of interest on our money. Most of our creditors need our business and don't complain. And, if they scream about our missing the discount period, we blame it on the mail room or the post office. We've only lost one discount out of every hundred we take that way. By the way, welcome to our team!

#### Instructions

- a) What are the ethical considerations in this case?
- b) Who are the stakeholders that are harmed or benefited in this situation?
- c) Should Jacquie continue the practice started by Phelan? Does she have any choice? 15 points