Unit 8 Discussion (Acct)

Student’s Name

Institution

**Who are the stakeholders in this situation?**

The case portrays a certain scenario of the organization. Stakeholders play a major role in relation to the company’s affairs. The stakeholders are the stockholders of the organization. These stockholders are the investors in the corporation within a common goal of capital appreciation and receiving dividends as returns. They show the interest of investing the business and participate in the affairs of the company. In this case, Rob Lowery the president and Debbie Oler constitute the stakeholder equation of the organization. The two people have interest in the organization.

**Is there anything Unethical about Lowery’s actions or intention**

Preparing financial statements requires adoption of the accounting standards. The international bodies that aim at creating uniformity in accounting procedures prepare these standards. In addition, the standards provide a basis in which to account for separate line items of revenues, incomes, assets and liabilities.

Lowery’s actions are unethical since there is a violation of the accounting standards. The president has intentions aiming at violating sound and acceptable accounting principles. He aims at satisfying short-term and long-term personal needs. The needs relate to personal and company. The need means that the financial statements may not reflect a true and fair view of financial statements prepared. These actions are dangerous to the providers of capital including the stakeholders from different sectors. The investors have invested in the company aiming at having a capital appreciation with a return on capital. These actions of making the financial statements to appear as if they are heathy are unethical and should be avoided.

**Effect of stock dividend**

A stock dividend means that the shareholders receive additional shares on top of what they already have. This means that there is distribution of additional shares and these would increase the number of shares a person has in a company. The increase in shares leads to the increase in dividends that a person may receive when dividends are declared and paid. I would prefer a stock dividend because of the benefits associated. Increased socks will increase future financial periods dividends and increase capital appreciation.