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Activity: Media

Corporate crime 2

Learning objective

At the end of this activity you should be able to:

- understand the consequences of corporate crime using the example of Enron.

Using the link below, answer the questions that follow.

<https://www.youtube.com/watch?v=hwo1ZoVmUc>

1. What was Enron?
2. Who founded Enron?
3. Which of today's companies did Enron compare to?
4. Briefly describe the success of Enron. Use the examples for the 'financial adviser'. You should include details on the revenue, stock price and statements made by the company.
5. What happened to the price of Enron's stock from 2000 to 2001?
6. What was the impact of this change in stock prices and who did it affect?
7. Using the example of Blockbuster Video, describe how Enron made their revenue appear so high.
8. How did Enron hide some of its liabilities/debts?
9. Why did the Enron stock show upward trends?
10. What is the job of an auditor and what is their primary purpose?
11. How did Enron cover up their false accounting?
12. What happened to Arthur Andersen auditors after the scandal?
13. Who in Enron was responsible for the fraud? What happened to them?
14. What happened to others involved in the scandal?
15. What happened to the accounting industry after the scandal?

If you would like to find out more about the Enron scandal, watch the full-length film *'Enron: The Smartest Guys in the Room'*.

There is also an additional short clip on Enron at <https://www.youtube.com/watch?v=jrEf8uabe7E>