

Holmes Institute HI6026 Memo 01 – T02, 2015

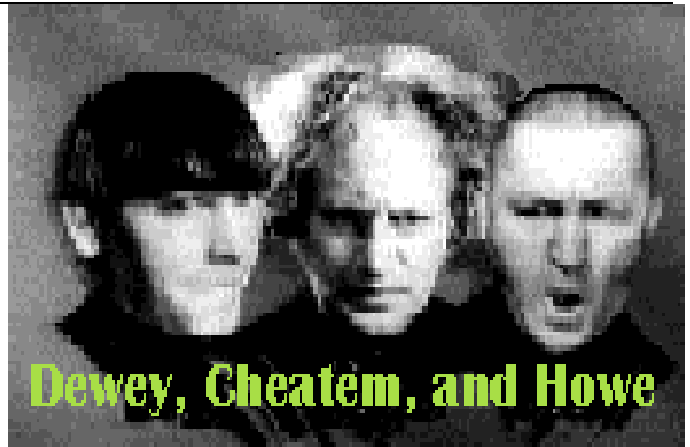
**Background:**

Mr. Dewey, a Senior Partner of the CPA firm Dewey, Cheatem, & Howe (DCH), after noting that many of the large businesses who are asking for substantial discounts in their audit fees often refer to the many positivist-accounting theorists and right-wing economists who recommend that *general purpose financial statements (GPFS) be deregulated because market forces can control the quality of GPFS.*

**Required:**

Mr Tu Dewey wants you to research this vital issue and, after referring to a sampling of the key associated literature, to provide a diplomatic response that DCH can use to discourage its clients from demanding discounts on the basis of their expectation of deregulation of GPFS. NB: the response needs to be very polite and should not discourage DCH clients from being clients.

Please address your answer to Mr Tu Dewey, in a 1/2 to 1 1/2 page memo.



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