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An Analysis of Accounting Principles Through Case Studies

by
Marisa Panasci

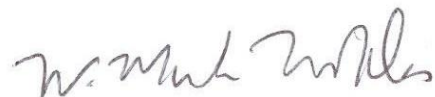
A thesis submitted to the faculty of The University of Mississippi in partial fulfillment of
the requirements of the Sally McDonnell Barksdale Honors College.

Oxford
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Approved by



Advisor: Dr. Victoria Dickinson



Reader: Dr. Mark Wilder

ABSTRACT

MARISA ANN PANASCI: An Analysis of Accounting Principles Through Case Studies
(Under the direction of Victoria Dickinson)

The purpose of this thesis is to analyze various accounting principles through an evaluation of fictional and non-fictional case studies that helps to create an understanding of accounting philosophies in real-world situations. In contrast to the more traditional research approach to a thesis, I was given 10 cases to dissect specific questions regarding economics, ethics, accounting methodologies, personal experiences and more. Dr. Dickinson led this course to allow time for presentations with accounting professionals in tandem with complex questions about films, readings, and cases that challenged us to think outside the box. We also participated in accounting case competitions to explore the complex situations accountants face and cultivate creative solutions presented to a board of judges. Completing this thesis gave me the opportunity to seek real life experiences outside of the classroom as well as current issues that are affecting the accounting industry and environment.

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LIST OF ABBREVIATIONS

BKD	Baird, Kurtz & Dobson Accounting Firm
CDO	Collateral Debt Obligations
CPA	Certified Public Accountant
EU	European Union
FD	Fair Disclosure
NYC	New York City
SEC	Securities and Exchange Commission
SSM	The Sisters of St. Mary
STL	Saint Louis, Missouri
10-K	Annual Comprehensive Tax Report

CITY SELECTION CASE

What do I value? What is important within my life? How do I make it work?

These questions are all things I had to weigh while completing this case study. Not only are these questions personal, they also help dive into the true meanings and purpose behind choosing a city to reside in. The purpose of this case study is so that I can start to think about my future within the accounting profession, including the lifestyle I hope to live as well as the place that would best fit with my routine. In order to achieve this, I need to research each city, Saint Louis, Missouri, and Atlanta, Georgia, in order to effectively and accurately compare and contrast each lifestyle. Upon completion of this case study, regarding the assessment of two cities in which I would consider living, I hope to come closer to the decision of which city I would most likely see myself fitting into the best. I also hope to come to a better comprehensive understanding of the life I would hold within each city in regards to expenses and life outside of the work environment. While I expect to participate in long work hours, I would also like to enjoy the offerings of the city I choose to reside in. This case strives to delve deeper into the true meanings and factors that go into the decision-making process when choosing where to reside for a substantial and lucrative time in one's career. While everyone's walks of life change, I know that the city I choose for now may not adapt to my future life, however this case will help me evaluate factors I have not given thought to in order to come to a better understanding of the life I hope to live.

One major factor of deciding where I wanted to reside was the city population. Growing up in a larger urban area has led me to love the life of a fast-paced city lifestyle that has endless opportunities and always something to keep you occupied. According to the United States Census Bureau, the Saint Louis City population is approximately 302,383 while the Saint Louis County population, that includes the city, is 996,726. In juxtaposition, the Atlanta population is roughly 498,044 (“US Census Bureau”). Although the Saint Louis City population is nearly 100,000 people less than the Atlanta population, the lifestyle is similar due to the numerous commuters traveling into the city from their suburban homes. With a majority of the Saint Louis population living in the suburbs and commuting, and Atlanta being a live-in city, both have many diverse groups flowing in and out of the city daily. I appreciate the fast-paced lifestyle and variety that a city provides, and both of these cities provide the diversity and inclusion I am searching for within the dimension of a larger population size.

Although the weather and geographic topography seem to be a superficial reason to choose a city that you prefer to live in, both of these elements are important to my decision-making process. Growing up in the Saint Louis suburbs, we experienced a variety of weather patterns including rain, snow, sweltering heat, and storms. As many people prefer the things they grew up with, experiencing all four seasons is something I would greatly appreciate within the city I hope to live in within the foreseeable future. Although the Saint Louis weather patterns can be considered variable and inconsistent from day to day, the climate remains rather steady. While evaluating Atlanta’s weather

patterns, they seem to appear milder in comparison with the extremity of the Saint Louis weather patterns I am used to, including a rarity of snowfall and a higher heat index (“Data US Climate”). Both cities topographies appear to be similar, with trees, rolling hills, various elevations, and rivers. Saint Louis gets its humidity from both the Missouri and the Mississippi Rivers, while Atlanta has its main source of humidity from the Chattahoochee river (“Atlanta Topographic Map”). The Saint Louis City topography is fairly flat with few rolling hills right next to the Mississippi river, which allows for a cool breeze that brings with it a lot of humidity (refer to figure 1). Although Atlanta has a higher heat index, it would be more manageable to live with due to the lack of an intense humidity that Saint Louis possesses. I appreciate both of these climates and would most likely prefer a less hostile environment than what Saint Louis provides.

The decision to live in a larger, more populous area, comes with the expectations of higher tax rates. According to the Missouri Department of Revenue, Saint Louis County has an effective sales tax rate of 7.78 percent while Atlanta has a sales tax rate of 8 percent (“Sales and Use Tax Rates”). Both of these sales tax rates are above the national average of approximately 5 percent. This indicates that I will be paying more for the goods I choose to buy within both of these cities. Although this does not seem to amount to much, it can quickly add up when calculating expenses. Income taxes in Saint Louis and Atlanta are also 3.8 percent and between 1 and 6 percent, respectively. These percentages indicate that I will be paying a substantial amount of my income to the government, and if I had chosen a different area to live, this might not be the case.

Transportation and infrastructure are two key ingredients to any developed nation or city, and in both cities, they provide some of the best resources in the world. Atlanta's Hartsfield-Jackson Atlanta International Airport is one of the largest airports and main hub for airlines including Southwest, Frontier, Delta, and Spirit Airlines ("ATL: Home"). Saint Louis Lambert International Airport has many flights that stop in Atlanta for connecting flights, which would make the transportation home quite simple, however the Saint Louis airport is not quite as renowned as Atlanta's massive hub. In order for commuters to get into both cities they need to have access to major highways systems. In Saint Louis this would include interstate 270, interstate 55, highway 64/40, and highway 44, all of which lead to the center of the city, where large corporations are held. In Atlanta, these roadways are interstate 85, interstate 285, highway 75, and highway 20. All major roadways are there to increase accessibility and communication lines for individuals. Both cities also have alternative transportation hubs for busses and trains, including Saint Louis' Gateway Transportation Center and Atlanta's Georgia Department of Transportation. These options are also beneficial for city living without a car. Even without the possibility of a car, both cities also are approved for the use of alternative sources of transportation like Uber and Lyft. The access to all of these places would increase my interconnectivity with many people from different walks of life due to the fact that people travel from different places to work and live in the cities.

Each city has their own industry makeup that keeps the city prospering while attracting new companies and individuals to these central hubs. Atlanta is most known for defense, energy, manufacturing, food processing, agribusiness and aerospace. It is home

to major companies like Delta Air Lines at Hartsfield-Jackson International Airport, CNN, Home Depot, and Coca-Cola. These business hubs are a central line of income for many individuals in the Atlanta area and all across the nation. The most prevalent industries in Saint Louis are healthcare, agriculture, auto manufacturers, biosciences, energy solutions, advanced manufacturing, and information technology. Due to the fact that one of its main sources of industry and income is healthcare, four out of the five major companies in Saint Louis are healthcare systems. These top companies are Barnes-Jewish Healthcare, Walmart, Washington University Medical Center, SSM Healthcare, and Mercy Healthcare. Not only are my parents a part of the healthcare community, I am very interested in the medical field and how it works and think that working for one of these major hospital centers would be an amazing opportunity.

Healthcare and education systems are also very important for deciding where you want to live due to the fact that families are not far in the future. Both Atlanta and Saint Louis provide vast hospital networks, however the Saint Louis Children's Hospital is nationally recognized and specializes in excellent and specialized pediatric care. Atlanta has a major hospital network within the Emory College that provides excellent care for individuals within their network ("Emory Healthcare"). Public school systems in Saint Louis achieve higher averaged test scores than the private schools due to the fact that public educators are paid higher. This results in the most qualified teachers being hired at public institutions. In Atlanta, the educational system is the opposite, resulting in higher testing scores from private school systems. I attended public high school and enjoyed the

experience and diversity, so I am not sure how I feel about sending my future children to private school if it cannot offer some of the values of inclusivity that I regard highly.

Crime rates are some of the highest in the two cities I have chosen which is something very concerning. According to Forbes, Saint Louis is listed as the second most dangerous city with a violent crime rate of “1,857 per 100,000 residents” (“2. St. Louis). Atlanta is also listed at the sixth most dangerous city with a violent crime rate at “1,433 per 100,000 residents” (“6. Atlanta”). Living in Saint Louis, I know the areas that are dangerous and where to avoid, however there are a lot of places that are considered safe and then one block away is not safe to be in. I know this because I would consider myself a local, but tourists would not know this which is what creates the danger. I do not know the Atlanta area very well, so it frightens me to not know where is a safe and not safe area to live or even travel to. If I have children in either of these cities I would be terrified to have them venture out on their own due to these high rates, however I did it at a 16-year-old and was always aware of my surroundings. City life brings some high correlated violent crime rates and is definitely something to consider when choosing where to live and where to raise a family. I would choose to live in the suburbs of both cities due to the high crime rates, sacrificing traffic and time to stay in a safer neighborhood.

Rent and expenses are something high on my list of what I need to examine when it comes to choosing where to live. Both cities have higher rents per month, however Atlanta exceeds expectations at a median of 1,500 dollars a month in rent while the average in Saint Louis County is 850 dollars a month. This is a drastic difference in price,

however the locations are also very different. Atlanta rent provides a 1 bedroom, 1 bathroom, 775 square feet sized apartment that includes a “private fitness studio, lush courtyards, an e-lounge, included parking space, a pool, game room, night patrol and a washer and dryer” (“Seventeen West Apartments”). I would also need to pay an upfront cost of 400 dollars for a pet fee and an additional 15 dollars per month in this Atlanta Apartment (see figure 2-3). In Saint Louis, the rent is cheaper because the apartment is outside of the city, however I also have the option of living at home which would save me a lot of money for the first year or two. If I chose an apartment it would provide a 1 bedroom, 1 bathroom 700 square foot apartment with “ample parking, a suburban location, prime school district and highway access, pool, 24-hour gym, and a 24-hour clothes care center” (“Our Floor Plans”). I would also have to pay an upfront pet fee of 300 dollars to account for my dog (see figure 4-5). I would be able to get a roommate to cut costs, however I would not be as comfortable living with people I do not know for safety reasons.

The main mode of commuting in both cities is via car. I have my own car and would be able to transport myself to and from my work. Depending on the apartment location and time of day the commute would vary. Typically, a commute from the suburbs to the downtown area of Saint Louis ranges from 30-60 minutes. In Atlanta, a city known for its traffic, commute times can last as long as 120 minutes if you do not leave early enough to make your commute only 30-45 minutes. This traffic would waste a lot of gas, and therefore money, so I would sacrifice sleep to leave at an earlier time to avoid as much morning traffic as possible.

Since both of my locations are major cities, there will be ample places to shop and launder my clothing. Grocery stores in the Midwest include places like Target, Schnucks, Dierberg's, Whole Foods, and Trader Joes, while in the south they have options like Publix and Kroger. Although these options are very similar and I have shopped at all of them, my preferred grocer is the local and seasonal farmers markets. In the Saint Louis Souldard district, they have an amazing and very large farmers market, and through research I learned of many farmers markets including the Peachtree Road Farmers Market and Grant Park Farmers Market in Grant Park (see figure 6). These options would be great to eat healthier, however it would be a little more expensive than shopping at a traditional grocer. I would traditionally also like to have a washer or dryer in my apartment or apartment complex, however within each city there is no shortage of laundromats or laundromat services.

Getting involved within my community through charitable and philanthropic work is very important to me and correlates highly to things I value. In Saint Louis and Atlanta both I would appreciate working in their local animal shelters to help in any way I could. I rescued my own dog from a shelter and recognize the need for volunteers within those organizations. I would also like to help at a local food bank to help give back to those less fortunate than I am. Food banks are across the nation and would be such an amazing way to contribute to the community I want to live in. I would also like to get a part of a religious organization. If I decided to stay at home in Saint Louis, I would continue my work with my Ascension Catholic Church Ministry. However, in Atlanta I would like to start something new and try and volunteer for the Atlanta Women's

Foundation which helps women in tough times and provides them with resources to prosper. I have never worked with an organization that solely benefits women and I would grasp the opportunity to serve my community and women alike.

One thing that is very important to me is having a life outside of my work life. I know going into the accounting profession that it will be long hours at times, and I would appreciate my days off doing many activities. In Saint Louis I would visit the Saint Louis Cardinals and Blues games, as I am an avid fan of both teams. I would also visit the Forest Park and Saint Louis Zoo area. Both of these activities are free and are so fun and kid-like, making your day nostalgic of the memories held when younger and taking your mind off of work duties. I would also like to take my dog to the local Castlewood state parks and hiking trails to go and explore and stay active. In Atlanta I would love to visit the zoo and aquarium as well, as I have heard nothing but extraordinary things about both. I would also like to go to Atlanta Braves baseball games and the Midtown Music Festival that happens in the fall time. Being active and going outdoors to exercise and spend time with my dog is something I really value in my free time and I am appreciative of the fact that both of these cities have ample opportunities to do both.

The number one, most important factor that will impact where I live is my family. I am a home body and love the bond I have with my family more than anything. It is really important that I am able to travel to see them for holidays, birthdays and religious events that are important to me. In Saint Louis, I would commute approximately 10 minutes to my parents' house. However, in Atlanta, my commute via car would be almost

nine hours. Flights from Atlanta to Saint Louis are only two hours, as I have taken them many times in the past and know how easy it is to travel from both cities. Depending on the season and holiday, round trip flights can range from 250-900 dollars, excluding baggage fees. During holidays I would expect to pay around 600 dollars, but an average flight should cost around 300 dollars. This is fairly expensive considering I would also have to board my dog, something I do not like to do. If I wanted to bring my dog, I would drive and have to get gas approximately 3/4 times, costing me about 200 dollars for my gas-guzzler Jeep Wrangler. With this concept in mind, my mind is leaning towards living in a town where I do not have to travel as much to see family who would be able to comfort me in times of stress.

Budgeting Table 1

	Saint Louis	Atlanta
Savings (5,000*5%)	\$250.00	\$250.00
Rent	\$850.00	\$1,500.00
Utilities	\$75.00	\$75.00
Gas	\$200.00	\$200.00
Health Insurance	\$100.00	\$100.00
Car Insurance	\$67.00	\$67.00
Telephone plan	\$75.00	\$75.00
Vet Expenses/Medicine	\$150.00	\$150.00
Dog Daycare (20/day*4 days)	\$80.00	\$80.00
Dog Food	\$50.00	\$50.00
Groceries/Eating Out	\$400.00	\$400.00
Entertainment	\$100.00	\$100.00
Netflix	\$15.00	\$15.00
Clothes Expense	\$150.00	\$150.00
Total	<u>\$2,562.00</u>	<u>\$3,212.00</u>

Based upon my full analysis of the two cities I am still undecided for which city I would most like to live in. I am leaning towards Saint Louis because it is my home, my family is there, it is cheaper than Atlanta, and I feel more comfortable there. However, I

love the idea of exploring and going out of my comfort zone to Atlanta to live out my mid-twenties here. It would be so much fun to enjoy another part of the country that seems, in so many ways, similar to Saint Louis. I want to raise my children in Saint Louis because of the familiarity, however that is around 8 to 10 years away and I hope I would be able to transfer to Saint Louis from Atlanta by then. I have still yet to decide, however my decision is made easier by all of the gained information and knowledge I have about each city and how I can live my life in each one.

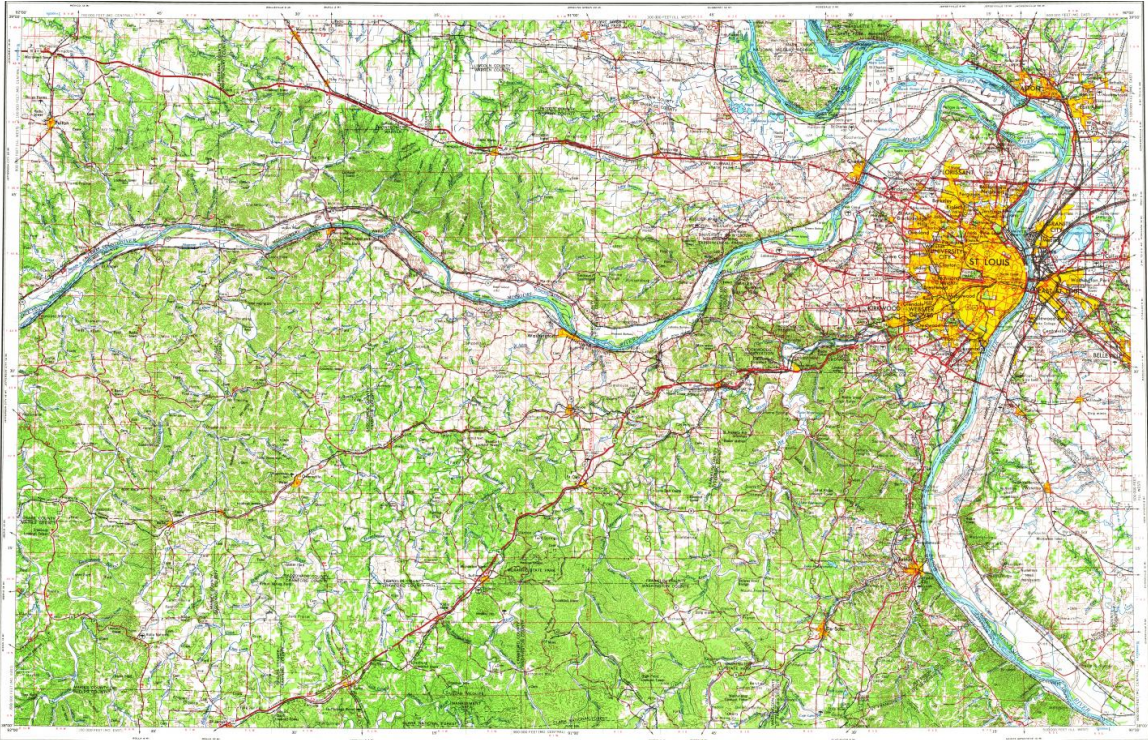
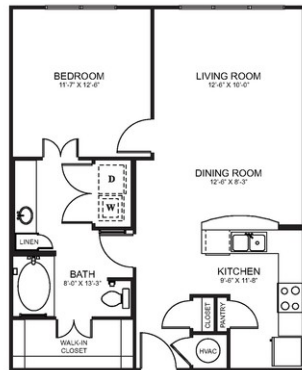


Figure 1- Saint Louis Topography

1 BEDROOM | 1 BATH
775 SQUARE FEET

AB FLOOR PLAN



391 17th Street | Atlanta, Georgia 30365 | 404-877-0000 www.17westpts.com
SEVENTEENWEST

Figure 2- Potential Atlanta Apartment Layout



Figure 3- Potential Atlanta Apartment Image

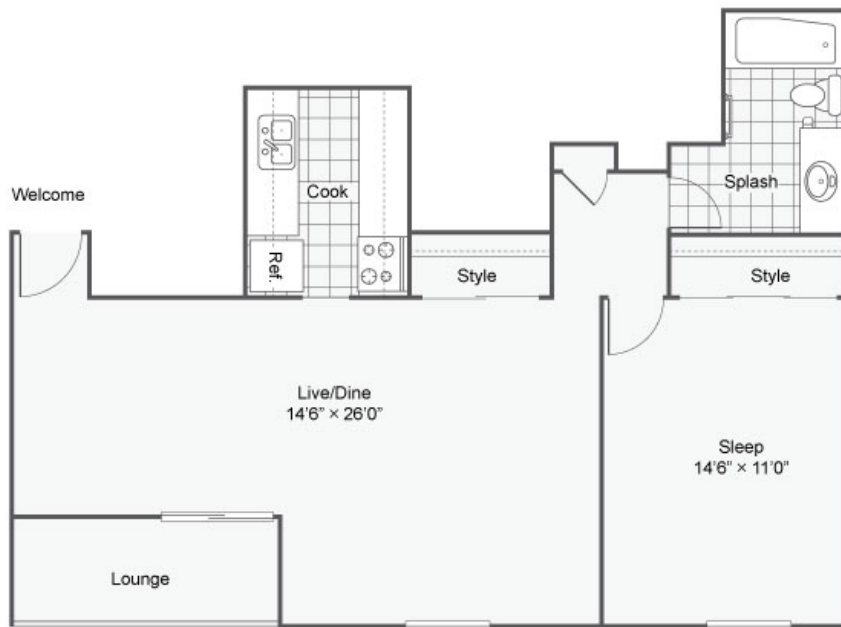


Figure 4- Potential STL Apartment Layout



Figure 5- Potential STL Apartment Image



Figure 6- Atlanta Farmers Market

BREXIT CASE

When dealing with international business transactions, it is important to understand the surrounding atmosphere including the customs, culture, and political environment. Without the knowledge of what business' are dealing with in regards to their environment, you can come across as ignorant and unskilled with how to handle their business transactions. With that being said, it is important to inform yourself of world dealings and the things that can affect businesses that you will be working with. Brexit is a huge topic of debate within the European nations and Britain, and that will affect the nature of many business contracts and trade dealings. The decision in the upcoming weeks will affect how trade and relations between businesses are to head in the future. This case had me evaluate the implications of Brexit, and how it can impact business decisions in the near future, as this decision will last for lifetimes. It also has us acknowledge that business dealings are complex, and we need to be aware of the everchanging nature of politics that has the ability to affect the way accountants do business. I hope to learn both the for-Brexit and against-Brexit sides to better come to an understanding of how the whole process works and to become better immersed in the politics of the world around me. Being aware of the events around the world helps me become a more well-rounded intellectual entering into the business world, where these decisions affect the way companies would do business within Britain.

After watching the film “Brexit The Movie,” I discovered how individuals felt that wanted to leave the reign of the European Union. It came to my attention that the battle to leave the European Union has been going on for quite a while now, with a vote of 52 percent to 48 percent favoring to leave the EU in 2016 not being acted upon. Now, another vote is being cast at the end of October 2019 to finish the long-lasting debate. Those who favor leaving the European Union feel as if their democratic rights have been jeopardized due to the fact that they do not have a say in the election of officials of the European Union. The European Union consists of seven institutions, four presidents, and many committees, none of which are elected democratically by the people. In fact, many people interviewed did not even recognize the top officials of the European Union, or could distinguish the difference between the many committees and their duties (*Brexit The Movie*). Many individuals feel that this creates a stance of “power without accountability” for the officials within the European Union, as they are not held responsible for the decisions they make (*Brexit The Movie*). This is also a result of the lack of inclusion for citizens within Britain, as they are not able to elect any of the officials.

Another topic that opposers do not agree with is the fact that they are not able to witness any debates that the European Union has in regards to policy or laws that affect the people. This includes taxation laws that goes to increasing budgets within the European Union. Citizens have no inclusion of whether to pass or repeal taxation laws, when they are the individuals who have to end up paying the price. A majority of these

tax dollars go towards the European Union, as many say they are “paid in perks” which include a private mall with restaurants, salons, and shops exclusive to staff of the European Union. Staff within the European Union also get a lower rate of taxation, and “1 in 5” staff members of the European Union get paid more than the Prime Minister of Britain (*Brexit The Movie*). All of the benefits given to colleagues of the European Union provide a sense of distrust within the community. This is apprehension is focused towards the European Union’s way of running business as those for-Brexit feel as if this is unfair because many policies negatively affect British citizens. This includes the fishing industry that prohibits homegrown fisherman from catching in local waters they have fished for hundreds of years, and giving the rights to other nations. This increases the price the British have to pay for fish, when, without these laws, they could have gotten it cheaper from local fishermen.

Many of the guidelines in Britain started after WWII when ministries were set up to regulate industry that became increasingly more restrictive. Children’s toys, clothing, and shoes became heavily regulated. Regulations caused a spiral starting with increased competition that moved to lower rates of production which resulted in unavailable, unaffordable, and rationed goods to the public. As many goods were too expensive, Britain fell into slump compared to Germany, who prospered with the lack of tight regulations, despite being destroyed from the war. In today’s industry within the European Union, there are “109” separate laws in regards to the production of pillows and “5” individual regulations on the production of pillowcases (*Brexit The Movie*). In addition to many other regulations on everyday products, these margins limit the number

of producers who can effectively make the goods, due to the increased price to conform to regulations. All of these constraints on products, doubled with protective tariffs on foreign goods create a higher cost of living for those within the European Union borders. Not only do those who agree with Brexit feel that this is beneficial due to high cost of living, but trade deals might be easier to obtain. The European Union does not have any trade deals with the United States, China, and India, indicating that a country does not need a trade deal to trade with certain countries.

In juxtaposition with those who support the Brexit campaign, many individuals disagree with Britain leaving the European Union due to the job opportunities, financial security, and risk of a recession. With the European Union allowing free boarders between all member states, this increases the free movement of people to travel for jobs. Approximately “3 million UK jobs are linked to...trade with the EU,” that potentially could be jeopardized if Britain separates from the European Union (“Get the Facts”). This also indicates that “1 in 10 people work in Britain,” and if separated, jobs could be lost due to the lack of free movement between countries (Lindsay-Watson, George). Not only do many British citizens work outside of the country, many businesses require workers from the other European Union nations. These are jobs that the British lack skills to complete, or are jobs that they do not want to perform. With a potential loss of jobs for both individuals and businesses in Britain, many argue to stay in order to keep their source of income. This lack of movement and loss of jobs would result in a loss of wages for many parties that creates strains within families and relationships.

Another topic of debate in regards to remaining within the European Union is the issue of a potential recession and Britain's reputation within other countries. As unemployment rates are threatening to increase, many individuals will not be able to fill their homes with food, electricity, heat, and cars with gas. The lack of purchasing goods would create a substantial "devaluation in the pound" ("Get the Facts"). This devaluation would create economic instability and thus enter Britain into a period of receding times that are not favorable in a world economy that, in contrast, is booming. New trade deals between the countries within the EU may need to be negotiated, and trading might be more difficult without the assistance of the European Union's help. The British would "lose vital EU funding for the farming, scientific and medical research and programmes that make a real difference in your local community" ("Get the Facts"). With the loss of a major helping hand, many who are against Brexit believe that Britain will sacrifice goodwill from other countries within the European Union. Now, many countries look to Britain's prosperous economics, however many have fears that they will fall in squalor without the EU. This would give Britain a poor reputation in the eyes of future investors and trading partners.

With the long-anticipated vote approaching, I think that either decision will impact business operations for the foreseeable future. It is important as a businessperson to monitor the activities and politics of other countries that your business' is involved with to stay informed about potential issues that may arise in business dealings. Many clients may be depending on a certain outcome, and if that outcome is not favoring their business plan, being an adaptable accountant consultant would be helpful in easing a

shift. Either way, the outcome of the Brexit vote will leave many people flustered, and being able to understand how to work with clients within a potentially shifting economy is vital to achieve success.

KIMBERLY-CLARK CORPORATION CASE

In this case, I analyzed the 10-K of a Fortune 500 company called Kimberly-Clark in order to better prepare myself for real world situations where I will need to analyze the footnotes of this document. I also learned how to navigate the Securities and Exchange Commission (SEC) website where these documents are held. Without completing this case, I would be unsure of how to complete my job and how to analyze footnotes. This has allowed me to become a more well-rounded future Accountant. This case has us analyze the condensed balance sheet of Kimberly-Clark and its income statement along with corresponding footnotes in order to see the thought processes and meanings behind accountants who put this document together. It also tells me a little more about a world-renowned, Fortune 500 company and how it completes its operations, as well as which accounting practices it uses to make its statements. Any accounting major needs to be able to analyze the footnotes and determine which methods, like the First-In-First-Out or Last-In-Last-Out process, a company uses and why changes in these practices may result in inconsistencies in comparability between companies. It is also important to recognize how accountants for companies put together the statements which is explained more thoroughly in the footnotes rather than having to look simply at the numbers. These explanations describe how the company works and how an accountant should go about auditing and analyzing these statements for accuracy. I also did some outside research on

Kimberly-Clark's website to find out what type of company they are as well as company goals, missions, and orientation.

Kimberly-Clark is a global company that prides themselves in manufacturing and marketing of products that "Lead the World in Essentials for a Better Life" ("Kimberly-Clark Corporation"). This vision aligns with the products they produce that serve baby and child care, feminine care, family care, and professional care products. They have three operating segments that are personal care, consumer tissue, and K-C Professional that help produce name brands such as Huggies, Kleenex, and Cottonelle. Kimberly-Clark has its principal executive office in Dallas, Texas. They also have four operating segments with geographic headquarters at two United States and two international locations. They also have a location in Argentina as well as five global business service centers; one housed in the United States and the other four are located internationally. They are a global business that sells products internationally in over one-hundred and seventy-five countries with manufacturing facilities in thirty-five countries. They have a normal, calendar year fiscal end, being December, 31st. They are audited by Deloitte & Touche LLP., in Dallas, Texas, that has been completing their audits since 1928.

Kimberly-Clark Corporation has many assets on their balance sheet including cash and cash equivalents, net accounts receivable, inventories, net property plant and equipment, investments in equity companies, goodwill, and other assets. Current assets are described as assets that are expected to be converted to cash within a year or fiscal period. Cash is the monetary dollar on hand while cash equivalents are "short-term

investments with an original maturity date of three months or less” (*Kimberly-Clark Corporation*). Accounts receivables is money that is owed to a company by its debtors that they are waiting to be paid. Kimberly Clark Corporation also has inventories that are complex due to them being an international company. Inventories are assets in a company’s possession that are either defined as raw materials, goods in work-in-process, or goods that are finished. Kimberly-Clark records these inventories differently as,

“Most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out (“LIFO”) method, or market. The balance of the U.S. inventories and inventories of consolidated operations outside the U.S. are valued at the lower of cost or net realizable value using either the First-In, First-Out (“FIFO”) or weighted-average cost methods” (*Kimberly-Clark Corporation*).

These inventory recording methods are different throughout different parts of the world, and thus has to be considered when analyzing Kimberly-Clark’s financial statements.

Other current assets are classified under this heading because they do not fit into the other categories. Property, plant, and equipment is expected to generate long-term financial benefits that includes land and buildings. Kimberly-Clark records their property, plant, and equipment depreciation through the straight-line method. This is a linear estimated loss in the value of an asset over the time it is used, or expected to be used. Kimberly-Clark also recognizes a section of assets called investments in equity companies to describe the “investments in companies which we do not control but over which we have the ability to exercise significant influence” (*Kimberly-Clark Corporation*). The last asset account that they report is the goodwill section. “Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Goodwill is

assessed for impairment annually, it is not amortized” (*Kimberly-Clark Corporation*). The fact that they do not amortize goodwill means that they do not write off the initial cost of the asset.

Kimberly-Clark Corporation also recognizes the current liabilities, long term debt, noncurrent employee benefits, deferred income taxes, other liabilities and redeemable preferred securities of subsidiaries on the balance sheet. Current liabilities are defined as amounts that are owed to creditors, that are to be paid in one year or less. Examples of these current liabilities include debt payable within one year, trade accounts payable, accrued expenses and dividends payable. All of these are Kimberly-Clark’s current liabilities they owe to customers or creditors within one year. Long term debt is similar to accounts payable; however, the length of payment lasts longer than one year. They record noncurrent employee benefits to offset plans to be paid in the future, like employee pension plans. Deferred income tax liability is a section to record the difference between tax laws and the companies accounting methods. Since there are discrepancies due to the tax laws, income tax payable and tax expenses might have differing balances. They also record other liabilities to include liabilities that do not fit the other larger categories. Redeemable preferred securities of subsidiaries are the last account they employ that is used for paying back preferred stock. This stock has perks to stockholders that guarantee they will be paid a certain amount if the company turns to financial crisis. Equity accounts include preferred stock that entitles holders of this stock a fixed dividend that takes priority over common stockholders that may not get paid a dividend in financial crises. Treasury stock is stock of the company that a company owns itself. Additional

paid-in capital is to record the value of share capital above the par value. The retained earnings account is the amount of income left over after dividends have been paid to stockholders. They also have a section for noncontrolling interest which are the interests of companies they do not own, but have a significant influence in, as stated previously.

Kimberly-Clark Corporation attracts mainly retailers and E-tailers like Sears Holding Corporation, Target Corporation, Walmart Inc., Bed Bath & Beyond Inc., Macy's Inc., and Walgreen Company, just to name a few. These customers purchase products that Kimberly-Clark produces and then distributes them to be sold in their various store locations. They generate their revenue from the personal care sector, consumer tissue sector, and K-C professional sector. Each sector of Kimberly-Clark specializes in those types of products to be made and sold, as each product base brings in their own revenues. They use the revenue recognition principle that states

“sales revenue is recognized at the time of product shipment or delivery, depending on when control passes, to unaffiliated customers, and when all of the following have occurred: a firm sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured” (*Kimberly-Clark Corporation*).

About half of net sales come from Kimberly-Clarks markets outside of the United States, and in 2018 the net sales were \$18,486 million.

Kimberly-Clark Corporation is provided with raw materials to produce their goods by Dow Chemical Co., Harsco Corporation, Mercer International Inc., AptarGroup

Inc., and Crane Co. Many of these companies produce oil and some of their products “contain certain materials that are principally derived from petroleum” (*Kimberly-Clark Corporation*). They also receive energy from these suppliers as well as “cellulose fiber, in the form of kraft pulp or recycled fiber from recovered waste paper” (*Kimberly-Clark Corporation*). These supplies are needed to produce their products that are found in everyone’s houses and personal care routines. In the cost of goods sold account in 2018, the cost of products sold totaled to \$12,889,000,000 billion. They also record their distribution costs as a part of their costs of products sold. Operating expenses include other (income) and expense that is net \$1,000,000 as of 2018. They also recorded marketing, research, and general expenses as \$3,367,000,000 in 2018. One other expense they record that is a controversial political topic today is environmental compliance, “including pollution control equipment operation and maintenance costs, governmental fees...that are expected to be \$117 in 2019 and 2020” (*Kimberly-Clark Corporation*).

Kimberly-Clark Corporation’s revenues have been increasing from 2016-2018 and expenses appear to be increasing as well. This in turn has created a lower net income in 2018 compared to previous years. According to MarketWatch, Kimberly-Clark Corporation’s stock share has been increasing due to the high rate of sales they have been experiencing. They had an increase in revenues by “0.75 percent from 2017 to 2018” (“KMB: Kimberly-Clark Corporation”). Not only do they have an increase in revenues they had a Return on Asset percentage of 9.56 percent that measures the profitability of a company in relationship to its total assets (“Kimberly-Clark Revenue”). Net income in 2018 was 1,410,000,000 compared to the cash flows from operations at \$2,970,000,000.

Net income is calculated as taking all of your sales for a period and subtracting the cost of goods sold as well as expenses. Cash flows represents the inflow and outflows of cash in a period. One of the possible differences for this number is revenue and expense recognition principles where they may not be in the same periods, and cash is not affected by the accrual basis of accounting. They also account for non-controlling interests that may affect cash flows and not necessarily expenses, as well as goodwill from other individuals. Exchange rates can also affect the cash flows as they are an international business that is affected by differing taxes and laws.

In accounting, some numbers have to be estimated because they are very hard to measure realistically. These estimates come from judgements and processes management chooses to use throughout the firm. Kimberly-Clark Corporation uses “critical judgments by management relate to accruals for sales incentives and trade promotion allowances, pension and other postretirement benefits, deferred income taxes and potential income tax assessments” (*Kimberly-Clark Corporation*). They also use “rebate and promotion accruals” as the basis for “the quantity of customer sales” as well as for estimates of the “number of consumer coupons that will be redeemed” (*Kimberly-Clark Corporation*). The reason accountants use estimates is due to the fact that these numbers are hard to estimate and it is known, through footnotes, that this can differ from the actual numbers.

THOMAS SOWELL CASE

This case had us first evaluate two questions, one about the relevance of the electoral college, and the second was revolving about the basis of the Universal Basic Income. With our previous background knowledge on these two topics, we began watching an interview with Thomas Sowell and his viewpoint on Marxism, his background, and the political nature of government. He gave insight about the various aspects and background of inequality within the world, his past and future beliefs on government and what is his reality of what government should be. He also speaks on the crime rates within the African American community and why it has increased with such prominence in the last decade. He also speaks on the relationship to income and education.

One of the things this case has taught me is how accounting is involved in more than just the debits and credits of financial statements. Accounting is related, and affected by the political climate of the United States, as tax laws change due to the party representative and majority in office. I also think many of these cases, especially this one, intends to make a more well-rounded individual. It is important to note the political nature of the country, as well as other individuals' political views, to be more sensitive and attentive within your profession. It is important to acknowledge other viewpoints that have the possibility of shifting your own views. Even if someone has opposing views and

backgrounds, it is important to understand the various backgrounds and experiences other possible coworkers and clients have, as to not offend anyone. In getting to know individuals it is important to acknowledge that everyone has had a different path to get to where they are in life.

We watched a video on Doctor Thomas Sowell, who is a very decorated individual, talk about “Uncommon Knowledge” within the United States. At first, when he said he was a 16-year-old high school dropout who began delivering telegrams, I did not have much faith in the reliability of his knowledge. However, as we continued with this video I realized he is a very knowledgeable individual. Dr. Sowell was a Marxist, who believed in a no class system that the government would create equality among the masses. He believed that “good things happen automatically” and “bad things are somebody’s fault” (Dr. Sowell). Since Dr. Sowell believed that “in nature there is nothing resembling equal opportunity,” he believed a government that facilitates equality for the crowds, would ensure happiness for everyone (Dr. Sowell). However, he said that it is not a very realistic outcome for society. He now believes that African Americans were better off without government assistance due to the fact that crime rates have increased. Without the ‘war on poverty,’ he believes that crime rates would be lower and quality of life would be better than it is now. I think this man has very intelligent views that I have not even thought about before, including Affirmative Action within college performance and expectations. Dr. Sowell indicates that “lifestyle choices have consequences” and he believes that people’s choices, such as marriage, have impacts on their success within life. I am not sure if I believe in this or not, due to the fact that many people who are

striving for high levels of success tend to put work and studies before their personal life in today's world, as well as people are starting families later in life. All in all, Dr. Sowell appears to have prevailing thoughts of status within society and how such success is achieved.

REGULATION FAIR DISCLOSURE CASE

This case study had me evaluate the rules and regulations created by the Securities and Exchanges Commission (SEC), including the more controversial, Regulation Fair Disclosure (FD) rule they passed. The importance of learning about Regulation FD is so that as a future accountant, I will know the correct procedures when going about my daily life and work life. With having accountants aware of this rule, they are more likely to disclose the correct information. It helps with the integrity and confidentiality of accountant's reputations after the Enron scandal that diminished the public's trust of accounting professionals. In looking into the case, there are many acts that seem to be debatable on whether or not they violate the Regulation FD. There are multiple viewpoints in this case study, the company side, the analyst's side, and the investors side. The company can get into trouble if they release information incorrectly. Stockholders want fair and accurate information to be able to make investing decisions and analysts want to be able to help their clients make the best financial decisions. This case study has to evaluate accounting law and why your decisions as accountants can affect the company, and how complex these decisions are to not only the company, but the investors and brokers. Not only will the information be provided in a more accurate manner as analysts do not get insider information anymore, it will be fair and full disclosure to the public.

Regulation Fair Disclosure (FD) is an act created by the Securities and Exchange Commission in 2000 as an attempt to stop selective disclosure from occurring. Selective disclosure is when financial information, not yet released to the public as a whole, might have been released to a segment of individuals outside of the company. Regulation FD now requires the company to release material non-public information, that it may have disclosed to authorized individuals, to the general public. This rule aims to promote full and fair disclosure to the public and for its investors. Without this, insider trading and other illegal, and unfair practices would be more likely to occur. In the case of unintentional disclosures, the companies must promptly disclose this information. Regulation FD also called for earnings calls to be widely available; today such information is webcast for all to access. Now companies do not have any private meetings with analysts to disclose material information without the public knowing that data as well.

Regulation Fair Disclosure was put into place to promote full and fair disclosure to the public. The relationship between companies' top officials and analysts came into question as many were thought to be acting outside of their job description within a company. The "wall between banking and analysts had completely come down" (Sommar) creating a questionable realm between the information given and insider trading. Many times, these analysts would consult their investors with this data about a company on whether to invest or sell stocks in a company. This unfair advantage is the reason Regulation FD came into existence. Although this regulation makes it harder for

analysts to do their jobs, it creates a more equal playing ground for the parties involved. Many individuals thought of analysts as “hustlers” (Smith) who were trying to simply exploit them. In order to save their reputation and those of companies, this rule was put into effect. In order to protect the small investors, the SEC “was trying to protect the lucrative franchise Wall Street had on market-moving data” (Lomax). With the data protected for the small investors, everyone is now able to make sound trading decisions.

If my client disclosed to me that he posted performance metric information on his personal social media account I would tell him that he possibly violated the Regulation Fair Disclosure guidelines. One reason I would say that is because an investor can see the information, such as the amount of orders, and can make their predictions of how well the company is or is not doing based on that information. Even more so the website traffic, investors can see how popular a website is and want to go buy shares of that company’s stock, giving an unfair advantage to them and other individuals who may not follow that person on social media. After reading Bloomberg’s article “Can Elon Musk Tweet That?” I stand with my decision that it violates the Regulation FD guidelines. This is because that it is misleading investors to invest in a company based on his social media posts. This information can give analysts insight into the markets which would give unfair advantage to their clients. While one investor might be following the company on social media, it may not be following the personal social media of leaders of the company, creating this partial lead.

IS IT TAXING CASE

In this case study, we analyzed the tax implications that arise out of income emerging from being an influencer on social media. As the personal, and favored consultant that works for David Smith, he confides information about his daughter that brings to question the status of dependency and taxable income that he might not know needed to be taxed on the federal level. After hearing the information that his daughter is earning a base amount that is required to be taxed, it is upon our discretion to learn of the implications of not recording this income for the past four years. We are tasked with notifying the partners of our firm and David Smith on how to proceed with this new information. In working through this case, we are learning about the changes to new tax laws, dependence and the difference between taxable unearned and earned income. It is important to stay vigilant as accountants about changing laws and regulations that can affect you and your client's integrity. Although this client can potentially secure a partner position within the firm, it is the accountant's obligation to comply with the rules and regulations of taxation and accounting. After careful consideration of changing laws, we concluded that she is making enough money to file income taxes, and since she is only thirteen years old, her parents are obligated to ensure that her tax report is filed. We have been evaluating David Smith for five years, and missed a significant portion of taxation. Due to the personal relationship between parties, it has become apparent that questions that would have been typically asked when working with a client have been missed. This

can result in a failure-to-file penalty that is subject to “up to 25 percent” (Elkins) of unpaid taxes.

Partners,

It has come to my attention that our client, David Smith’s, daughter, is a dependent subject to income taxes. For the past five years we were unaware of this liability to the Smith family. I am bringing this to your attention because Mr. Smith has been obligated, for the past four years, to ensure that Emma Smith’s, his daughter, income tax returns were submitted to the government. Because Emma is a dependent, qualifying under dependent rules, Mr. Smith is liable for her tax implications. I am in the early stages of understanding the associations of the dependent and Mr. Smith’s separate taxes, however due to her age, I have concluded that it is Mr. Smith who is liable. Although he is liable for the taxes, they are filed under her initial tax bracket, not his. I have begun calculating the estimated liability, listed below.

Year 1-4 earned revenue: $150,000 \times 4 = 600,000$

Year 1 unearned revenue: $150,000 \times 0.03 = 4,500.00$ (subject to a 24 % tax rate)

Year 2 unearned revenue: $300,000 \times 0.03 = 9,000.00$ (subject to a 24 % tax rate)

Year 3 unearned revenue: $450,000 \times 0.03 = 13,500.00$ (subject to a 37 % tax rate)

Year 4 unearned revenue: $600,000 \times 0.03 = 18,000.00$ (subject to a 37 % tax rate)

Total Unearned Revenue unpaid = 14,895.00

It is in the best interest of the client and our firm to notify the IRS of this discrepancy and start filing these taxes as soon as possible. They are potentially liable for tax evasion,

interest and penalties on this untaxed income. It is crucial that we take the appropriate steps to minimize risks for all parties involved.

Sincerely,

Marisa Panasci and Haden Robbins

Mr. Smith,

It has come to our attention, during our lunch meeting, that there are some issues with the past tax returns regarding your daughter Emma. I learned that her social media following and YouTube channel has brought in a substantial amount of taxable income that has not been filed with the government for the past four years. Although Emma is your dependent, she is liable to file income taxes for the earned and unearned income she is making. This unearned income has accumulated through interest made while in the bank for the past four years. Because she is a dependent and unable to file her own tax returns, this could potentially be a liability for you. We are working with the partners to figure out the next steps of this process, however penalties on this evasion can be a potential outcome. Since this income is at her personal use, and you are still providing her basic necessities, such as housing, she still qualifies as your dependent on tax returns. This discrepancy may decrease the amount of deductions given to you due to the fact that she is making a substantial amount of income. In order to properly handle this situation, we are going to need access to Emma's bank accounts as well as expenses of her personal income. I understand that this is personal, and we are in part liable for the inaccuracies of

these tax returns and are working through the best possible alternatives, while also the worst.

Thank You,

Marisa Panasci and Haden Robbins

MONOPOLY AND BLOCKCHAIN CASE

The purpose of this blockchain case study was to simulate the events that take place within a blockchain. A blockchain is a system that records and transmits data across many computers that are linked through a virtual network. The blockchain starts off with a transaction, that is then verified by confirming information such as the transaction amount, item, vendor and purchaser. Once verified, the transaction is stored in a block and given a hash, which is a number-letter combination that indicates the previous block in the chain, and added to the blockchain (Bradley, Richard). Each block corresponds to the previous block in the chain, thus if there is an error, the subsequent blocks are compromised. Due to the fact that single blocks once in the chain cannot be changed, a new block with accurate information needs to be added, referencing the block with the error. Blockchains record information in order of occurrence and are an efficient way of recording information able to be accessed by specific users. It is important to study blockchain as aspiring accountants because this technology is being used to sort, store, and keep track of important data that accountants use in their daily lives. It allows accountants to search for transactions between parties and provides information that is easily available to review for financial statements. Our class simulated the blockchain by purchasing transactions within multiple monopoly games, verifying these transactions with the authenticating team, and then submitting them to the general journal. Our role within this chain was to act as the ‘runners’ between the authenticating team and the

general journal. In essence, we were acting as the bandwidth of the blockchain we were participating in.

While engaged in the blockchain case study, we were tasked with being ‘runners’ of information, going back and forth between the information given, and the general ledger. As the game of monopoly was played by our classmates, it was our responsibility to collect all of the transaction data to store and process in the general ledger. Although this task seemed relatively simple, it proved fairly challenging with the amount of transactions taking place at one time. The communication of information between the monopoly players and the ‘runners’ were inconsistent, as many participants described the place, property amount, rent payments, and purchasing information differently. Thus, when giving information to the members that recorded entries to the general journal, many items of information per each transaction were unclear, or missing. This created inconsistencies and incompleteness within the general journal that could have been avoided. These communication errors resulted from human error, not necessarily technological errors. If this system had originally been completed in an online blockchain, these informational errors would have not occurred.

Another part of our role as ‘runners’ was to verify information to prevent inconsistencies. We were given a ‘security key’ which included all the names of the players making transactions with a two-digit number associated. Upon receiving transactions, we verified the participants were the accurate people making the payments. This task is important to be familiar with as with blockchain there can be discrepancies that must be verified so the correct information is processed. The goal is ultimately to

avert bad transactions that result in error in the future. In blockchain there are several identification measures that are in place to verify the user. Without this system, accounts could be compromised and identities stolen. During the activity, ‘runners’ shared photos of the ‘security key’ to create flexibility where sharing one copy would slow down the process. We were able to individually identify and record transactions without having to pause for reference or wait for the ‘security key’ to be reviewed by another ‘runner’ on our team. In blockchain there are several systems set up with these basic verification codes that can aid a transaction without waiting for the key.

Further, we were tasked with verifying the transactions being made through ‘Big Mama’ and ‘Big Papa’ or the parties selling items of the monopoly game. By communicating with these sources and approving transactions being made, the game was ultimately able to run efficiently after the beginning confusion. These parties acted as an additional system in blockchain that must be verified. The hierarchy involved and the multiple checkpoints for the ‘business managers’ during the game is similar to how the actual blockchain system is structured. After initiating a transaction, bringing the information to the appropriate parties, verifying the characteristics of the arrangement and at length gaining approval the faction was able to carry on with the game. The whole process is conducted in a timely and accurate manner within blockchain, while the activity proved challenging for individuals to perform. From this it was understood that blockchain’s current systems are essential as over 44 million are users. Communicating with the parties selling parts of the game did aid in preventing discrepancies, however stepping into the additional role of interacting with the ‘business managers’ of the game

with payments made created confusion. The players did not always have information readily available, which lead to moments of uncertainty and created lag.

One thing we learned was that our role as a ‘runner’ was to act as the ‘bandwidth’ within the chain. The bandwidth’s main purpose is to transmit signals and data from one computer to another. Our role was something obsolete in this process, that ended up making the process more complicated than necessarily intended. One of the reasons this complicated the process is due to the inconsistencies in the information transmitted. The ‘runners’ can transmit incomplete data that would have otherwise been accurate if the individual players, who knew what was going on with the particular transactions, input the data into the system, rather than the ‘runners’ interpreting information. The ‘runners’ can also get distracted with other transmissions, and also get lost when going back and forth from the hub to the general ledger. This would result in lost data that cannot be recovered. Due to the influx in transactions taking place at once, not every ‘runner’ was able to go back and forth between the ledger and the authenticators between each transaction, creating lapses in time. This also affects the block chain due to the fact that the blocks rely on the previous transactions or blocks in front of it, which might not have been recorded due to these human errors. Not only did the frequency of transactions alter this data, but the process created duplicate copies due to the fact that members inputting data into the general ledger would take photographs to keep up with the transaction overload. All of these errors could have been avoided having a synchronized system involving the input of data into a virtual blockchain system.

This case study has taught us that a blockchain is very important to accounting information systems. It is created for the ease of use of the user, including inputting data and speed. The blockchain allows accountants to be able to know “how to advise on blockchain adoption and consider the impact of blockchain on their businesses and clients” (Blockchain and the Future of Accountancy). Without these systems, accountants would be preoccupied with inputting data instead of being able to assist clients. The blockchain acts as a bridge between the technological aspect of accounting and the traditional physical data structures. Blockchain takes several security measures including several forms of verification and separation of roles that are essential to an efficient process. These methods take the pressure away from the accountants so they can communicate with the client in an effective and efficient manner.

PROFESSIONAL INTERVIEW CASE

I had the opportunity to speak with a Certified Public Accountant, named Lisa Love. Lisa is a family friend of mine as she went to college with my aunt and uncle in New York State and I am so grateful to know such an ambitious woman in the accounting world. The purpose of writing and learning about Lisa's experience in the accounting field allows me to analyze her journey towards becoming a top controller within her firm. It shows how there are many different opportunities that are available within the accounting industry. Not only does my conversation with her allow me to realize all of the knowledge I will gain within my career, but all of the different places I would be able to travel to and people I am privileged to meet. I am able to learn from a person who has many years of experience and can give me a boost in confidence going into an internship. She knows both the public and private sides of accounting and was able to give her opinions and preferences, and even mistakes she made when on her journey to where she is today. After talking with a business professional, it is important to soak in all of their experience and advice they have learned, more often than not they give advice they wish they had known when they began their journey. Now, at the prime of her career, she is willing to spend time speaking with a novice about her professionalism and things she recommends to me as I pursue an accounting job, following in her footsteps. It is remarkable to Lisa how time flies from being a five-year-old flower girl in my aunt's

wedding, to a grown woman with multiple big four offers. I am honored that she has chosen to enlighten me about her journey within an industry I am just entering.

Lisa Love grew up in a small town in upstate New York, playing sports and pursuing scholarship throughout her middle and high school careers. Growing up she made friends easily and loved being able to compete with her siblings in soccer games and playful games of basketball in the driveway of their quaint neighborhood. She went to Siena College in Loudonville, New York where she earned her Bachelor of Science degree focusing in Accountancy in 1999. During her college years, she met my uncle Robert Panasci and her best friend, and my now aunt, Kelly Panasci. I understand, from stories told over the years, that they were able to balance college life and many fun extracurriculars. Lisa heard many great things about the Accounting field, including job security and availability. She has also always had a passion for saving money, even when young, she would always save and organize her money for future opportunities rather than spend them on the latest fad. My aunt always noted how she had a passion for organizing money and helping her close family and friends save their money for the future. Accounting and the organizational skills that are required to complete these tasks are in Lisa's nature.

During college, Lisa interned at a small local firm where she prepared taxes and kept the books for small businesses. She realized though that she wanted more experience within the field to be exposed to more high-end clients and the opportunities that accompany them. When she was a senior in college, she started interviewing for the big

four firms and accepted a position with PricewaterhouseCoopers from October 1999 until October 2009. She was able to grow to a senior manager within the firm and worked in the Albany, New York office for three years and transferred to the New York City office where she worked for seven years. Throughout her years at PwC, she learned the importance of effective communication and being a team player throughout all projects was vital to successful audits. In 2009 Lisa started a job at Moore Capital Management where she became the assistant controller. In her position, she realized the importance of time management, as planning accordingly for things she was able to anticipate was important to meet deadlines. I really appreciated this aspect of our conversation, as time management and punctuality are both very important to how I work. In 2016 Lisa ended up moving to Owl Rock Capital where she is currently a controller for the company. Lisa wanted to move out of the big four firms and move towards a slower paced lifestyle that would allow her a little more time with her husband, Adam. She has learned so many skills in these jobs and looks to hire people that have worked for the big four firms as they are more readily able to work independently, have more professional skepticism, and generally have better work habits. She also suggests getting your CPA as soon as possible within the field. In past experiences working with coworkers what were not CPA certified, Lisa explained that it was very evident in their working environment. Finding a great mentor to lean on for advice was also a main focus that Lisa and I discussed, as they can help you through both personal and professional problems as they arise.

Outside of work Lisa has a loving husband named Adam, who is a member of the military. She enjoys investing in multiple properties that she is able to rent out when she

is not visiting for vacation. Out of our fond memories together, I remembered vacationing at Lisa's Long Island, NY home and her giggling over the cute neighbor that was walking over to say hello to her. Now they are married, with a chocolate lab named Oliver. She enjoys volunteer work at New York Cares and is adamantly involved with the political and legal issues surrounding her neighborhood. Some of her favorite vacations have been in Paris and San Diego, where she was able to meet up with Adam during his deployments. She didn't emphasize the particular excursions that made her happy, or maybe the fact that she had to bring her work along, Lisa emphasized the importance of having close family and friends that she could enjoy those memories with. She wouldn't have changed anything in her life as it is now, she enjoys her fast-paced NYC/ New Jersey lifestyle with a loving husband, pet, family, and friends always there for her in her times of need.

Lisa wishes she could go back to her twenty-one-year-old self and tell her to absorb everything around her and take things one day at a time. It is important to Lisa to listen to things that people are giving advice on, and spending time admiring the beauty in nature, work, and home life as it is. Lisa told me that time flies and it is something she once used to take advantage of, and now she wishes it would slow down. Lisa is most proud of all of her accomplishments in the work place, she made most of these accomplishments without a man by her side and she is really proud to have done that by herself. She is also proud of her marriage and her husband's dedication to the United States Military. Although she thinks the new era comes with a lot of changes, Lisa thinks that my generation will have to adapt to leaving some aspects of technology alone, as

some things are better done in person. Face-to-face meetings prove to be more efficient at times when our generation would rather do it over the phone or facetime. Given the current situation and working remotely, she notes many inefficiencies in communication via email as to face-to-face interaction. She said that working with others and not stepping on other people to get to where you want to be is also an issue she thinks the dedicated people of my generation have to fight against. It is important to strengthen those networks, and not stomp all over them. As for Lisa's generation, the technology change is also an issue she believes they are coming to terms with. Technology is very efficient in the right methods, and seniors in companies need to adapt to the emergence of data analytics and the possibility of more virtual connections and networks being established. Talking with Lisa about her job, life, and overall journey has been an eye-opening and educational experience for an aspiring accountant. I will cherish all of her advice and insight into the accounting workplace, and for that I am indebted.

HONORS INTERNSHIP INTERVIEW CASE

I had the pleasure of being able to speak with Grace Starrett, a peer of mine at the University of Mississippi. Grace is a year above me in the accounting program and was able to offer me valuable insight into the accounting internship she previously completed. I was able to interview Grace on her experiences throughout her internship and receive advice about what I would be experiencing in the accounting world. While being in this class, I have been given the opportunity to hear from many seasoned professionals about their opinions on the public accounting world. However, with this case, it was refreshing to be able to speak to a peer that could talk with me about the experience I am about to embark on. She was able to ease my fears going into the internship process, tell me what to expect, and enlighten me about hardships she faced throughout her own experience. Although my experience may not be the same as Grace's, her perception is extremely valuable because she is on the other side of the internship that I am about to venture into. I think it is very important to gain as much knowledge going into the internship as possible. Being able to learn from a variety of experienced and new professionals helps prepare me to be the best intern I can possibly be for the firm. It also helps me prepare for what to expect and how to handle situations where I am the lowest on the totem pole. I value being able to speak with Grace about this internship highly because her advice was exactly what I was needing to ease fears going into this process.

Grace Starrett is originally from Alton, Illinois, only about thirty minutes outside the City of Saint Louis, which is where I am from. She is the youngest in her family and has an older brother and sister-in-law in the Saint Louis area. Her parents retired to the Gulf of Mississippi when she went to Ole Miss for college. When asking why she decided on Ole Miss, she said that it was because it felt right, and when she set her mind to it, she couldn't change. This is a motto she lives by, as it eases some stress from her life. Grace very much likes to go with the flow of what she sets her mind to. Although there are certain things in life you are able to decide, many things are thrown at you regardless of your choices. Grace chooses to take those things with poise and maturity, despite some aspects of her schooling going awry, she is reassured in her belief that everything happens for a reason. This is similar to the nature of my internship offer. I have three offers, two in my top city of Saint Louis, and one offer in Atlanta. Both of my Saint Louis offers are for the summer of 2021, against my plan of a winter 2021 internship. Grace assured me that these opportunities are amazing, and I should take the internship for the company and city I prefer rather than settle for the winter internship that would stick to my schedule. While talking to Grace, she has a very calming aura that made me feel reassured with my internship decision, and even though my schooling plan changed, it has done so for the great opportunities ahead. Not only is she a supportive presence, Grace is the 2020-2021 President of Alpha Kappa Psi, the honorary accounting organization on campus, and member of the Sally McDonnell Barksdale Honors College. She is also an avid Colts and Saint Louis Cardinals fan with a passion for making every Halloween a spooky, thrilling, and entertaining time.

Grace was given a special opportunity to intern with BKD Saint Louis for two separate internships, a summer 2019 term, as well as a winter 2020 term. She was able to experience two separate seasons within the international tax world. Grace began her summer internship with a rocky start. The senior manager who was directly in charge of Grace left three days into her internship. Although BKD set her up with a ‘buddy’ that advised her and answered her questions, this ‘buddy’ was in Indianapolis hours away from Grace. This was a sizeable challenge to overcome as a new intern, but Grace took it step-by-step and communicated closely with the managing director to optimize her learning experience. She did mention that the summer internship was slower in comparison to the winter internship, but this made her be able to become closer with her coworkers. She was able to go to Cardinals games and happy-hour events more often than the winter internship. In contrast with the slow-paced summer internship, the winter internship was demanding because it was during busy season for accountants. She was able to work at the same desk as the other interns and communicate about questions freely. Both internships had similarities within the work being done, which included various international forms. She did not indicate to me that there was a difference in her learning environment between the summer and winter internships, which assures me that I will be able to learn equally as much in whatever internship I choose.

One thing I was worried about the most is the potential negative competition within the workplace between interns. Grace explained to me that interns support each other through their drawbacks and uplift each other as opportunities arise. It was moving to hear that other interns endorse and comfort each other instead of step over one another

to achieve personal success. She also alluded that interns are all on the same playing field, as nobody really knows what is going on. Interns are all learning together and support each other to become the best accounting professionals as possible.

Grace is a valuable resource to me as she gave insight into the worries and uncertainties I had going into this process. She recommended utilizing the firm's resources to become a more inventive intern. Taking notes is also a vital component of the learning process. The first benefit of note taking is being able to learn and remember instruction by writing it down. The second benefit is that you do not have to ask the same question multiple times. She illuminated to me that asking questions numerous times shows the upper management lack of listening and effective problem-solving skills, especially if they have explained the steps numerous times. Her best advice to give to me was to go into the internship as stress-free as possible. Nerves tend to present themselves in the worst times, and it is important to have a positive attitude about your potential abilities. The professionals know that you are an intern and understand that you may not know how to do anything, however, the effort of being confident about your own capabilities goes a long way. Similar to Grace's motto in life, she says it is important to choose the internship and see where the opportunity takes you. Grace absorbed so much coming out of her internships and was so excited to help me through my uncertainties. One of the many lessons Grace learned throughout her internship experience was the high value of the accounting profession. She finds pride in being able to communicate intelligently with peers about tax issues and laws. She also told me that one thing she thought was vital to the job was Excel, which turned out to have a mediocre role in her

internship. She recommends knowing the basics of Excel, but it was okay if you were not an expert in the shortcuts. I hope that I am able to learn the technology systems the firm uses with ease.

FINANCIAL CRISIS CASE

In the final case study, we were asked to analyze the factors that have been prevalent in the economy and political realms in the past and present, and how they are affected by the current situation regarding the COVID-19 economic climate. It is important to be cognizant of the economy around you, not only for your own well-being and political views, but to be aware of things affecting your client's businesses. Today, due to the stay-at-home orders, many businesses are not functioning at full capacity, if at all, due to the lack of customers being able to shop in their stores, or use their services. It is important to look at the United States economic history to begin to understand how to prevent economic downturns from occurring if at all possible. Similar to the way we study historical facts, these economic occurrences help accountants understand how to adapt to situations in the workplace and identify errors that could have been avoided, similar to the crisis in two-thousand-eight. We watched the movie *Inside Job* that exposed the reasons similar to the crisis in 2008, a downfall that was created by senseless greed of those working in the financial industry. After watching a brief video about crony capitalism, it raised awareness of the political motives apparent in the financial sector. Three articles read for this case brought to light the Gaussian Copula model that led to the arrogant financial advisors to give loans inaccurate ratings, the political nature of the current president's reign, and lastly, the influence that Goldman Sachs has on the financial markets. Being able to evaluate and learn about the financial industry that is

riddled with corruption will allow accountants to be aware of tactics and warning signs to look out for in financial statements. It is also important to be aware of the deregulation occurring in the industry when you are voting in elections that can influence the way regulation is handled for large corporations. It is important that accountants are knowledgeable about the internal controls within a company to be able to detect fraudulent behaviors within the system. As general voters in the population, it is important to understand the weight of your vote, and to understand what you are voting for in terms of regulation.

One of the most prominent things learned through exploring the sources of information was the fact that greed plays a large role in the financial industry, which leads to crony capitalism within our government. Self-indulgence is the sole reason of the financial crisis of two-thousand-eight, where financial advisors made commission based on the number of CDO's, collateral debt obligations, bonds, or subprime loans issued to investors. Advisors did not care for the well-being of their client, such as their capability to pay off the loans or the quality of the loan. Many financial advisors on Wall Street sold investments they knew would fail just so they could profit from the transaction. It is astonishing how many individuals, not just one person, were willing to disregard their intelligence of the financial system to make a profit. This all started based on the Gaussian Copula model, created by David Li, that was a probability theory for analyzing the financial risks of investments. This formula was abused because many individuals using the formula did not know how it really worked or the parameters set in place. Rather than identifying the inputs in the formula to receive an output, many financial

advisors would manipulate the inputs to get the best output, no matter if that investment was unrealistic. As long as the output was a positive outcome for the financial advisors and their firm, they sold those investments with no hesitation as to their reliability. The “‘sensitivity to housing prices was huge’ and nobody wanted to give up the money they were making based on sales due to the risk that the prices would drop” (Salmon). This is the epitome of greed, hurting others when your duty is to assist those with managing their life savings. Companies like Goldman Sachs are able to manipulate the market investors due to their power within the industry, and continue to do so since their founding. It is important as an accountant to remain vigilant in catching fraud, because even one instance within an auditing company might have had the ability to prevent more harm from occurring.

I also learned that crony capitalism is a part of our political climate, despite the political party holding office. Crony capitalism is a system where businesses tend to thrive based on the relationship between the political and business class. While capitalism is equal exchange of goods and services between entities, crony capitalism is immoral because the government is paid off by businesses to pass bills that would favor the business. Examples include lobbying, friendship, and campaign contributions. These establish favoritism between the lawmakers and businessmen that favor the businesses over the welfare of the community as a whole. It is an unfair system that uses taxpayer dollars to pay off friends and supporters, which President Andrew Jackson said, “there are no necessary evils in government. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as Heaven does its rains, shower its favors alike on the

high and the low, the rich and the poor, it would be an unqualified blessing.” The limited government, giving equality to all is the recommended nature for business continuity. With favoritism and crony capitalism existing, evils endure, such as those that contributed to the economic downturn. In 1981, President Ronald Reagan had a treasury secretary named Donald Regan, the Chief Executive Officer of Merrill Lynch. This is a conflict of interest, as more than likely, the two men colluded to benefit Merrill Lynch through crony capitalism. Many individuals who refused to be in the film, *Inside Job*, were contributing parts to crisis and have now moved on to be board members of prestigious organizations, chairmen and deans of esteemed schools such as Harvard and Columbia university. Collusion between the businessmen and political leaders was made prevalent in the movie, allowing me to realize that, with a deregulated economy, the power will be in the hands of the large corporations. Although the different political parties have contrasting views on regulatory policies, the presidential reigns of both Bush, a Republican, and Obama, a Democrat, did not have regulatory or punishing actions against the parties involved in the crisis. The SEC did not pose any sanctions during the crash, nor did Obama’s justices reprimand the oligarchs, rather shield them. This leads me to believe that the change needed to adjust large business’ power is far more than who we elect into office based on political party. Unless a change within the mindset of the most influential business professionals exists, I do not think that the future within the financial and political corruption will change. Similar recessions, like the Great Depression in 1929, have existed and the economic climate has surged back to its former glory.

Personally, and professionally I think it is important to stay well informed with the decisions you make. As a professional, it is vital to maintain your own integrity and have honesty in the work you do. Clients rely on you to be able to complete tax forms and audits successfully, to catch fraud, and give the best advice for optimal performance in the future. The goal of being an accountant is not to make a salary, but to help others, similar to the role of those on Wall Street, so it is necessary to remember why you are in this career, and to not be selfish like those that may have preceded you. Accountants need to investigate if they find suspicious activities, rather than letting them slide under the radar, and it's our job to remain objective in this nature. In a more personal nature, I think it is important not to believe everything you hear or are promised, as shown in President Obama's reign with not acting against the oligarchs. It is important to do your own research when looking at a voting ballot and making sure you are aware of a situation to make your best judgement. Although our most recent financial history is shameful, I don't think that it will change as a result of political power solely.

In my opinion, the coronavirus pandemic is a virus that needs to be taken seriously, however the extent to which the government has taken measures to contain this virus have done more harm than good. With both parents in the medical field, I am well informed about the transmission of disease, the effect of diseases and how to treat diseases. Although the Coronavirus is more infectious than Influenza, a majority of the denominator, or base of number tested is far too low, as not everyone who has Coronavirus is tested. With this being said, many people who have the virus are asymptomatic, and are able to go about with their daily life. The people who are at risk

for COVID-19 are the same people at risk for Influenza, yet Influenza is not taken seriously. If the world reacts in a similar nature to every virus that spreads, our economy would crash and never be able to rehabilitate. It is important to keep life and our economy stable, rather than sheltering for a virus that I believe we can overcome. Coronavirus has given the United States a strong sense of patriotism, similar to in wartime. Citizens are shopping at mom-and-pop shops, local eateries, online boutiques, are performing more acts of kindness, and are cheering for medical workers. This positive attitude created in some of the social areas will not alleviate the pressures of the economic downturn that has begun. 'Lockdown economics' is in stark contrast to the wartime economics involving full mobilization of human and economic capital places strains on production and essential items, such as toilet paper. Productions have halted due to non-essential status and this disrupts the supply chain methods all over the world. Many individuals are losing their jobs and filing for unemployment. Trump has signed bills to give help to small business owners and hospitals, as well as 'Pandemic Unemployment Assistance Fund' which all builds the United States debt portfolio. We are entering into a global recession that, in my opinion, should not have occurred in the first place due to the nature of the at-risk individuals also being at-risk for the Influenza virus. Although I think that we are entering a recession due to this predicament, I believe that we will begin to recover, everyone is eager to go to restaurants, shopping centers, and entertainment activities. In a similar nature to the past recessions, the economy will begin to rise again after this fall.

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