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An Overview of Financial Accounting Through the Use of Case Studies

By: Sim Colebank Mosby

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

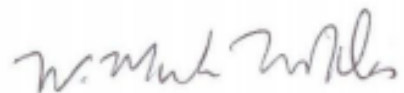
Oxford, MS

May 2021

Approved by:



Advisor: Dr. Victoria Dickinson



Reader: Dean W. Mark Wilder

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I would like to dedicate this thesis to my parents, Sim McRae Mosby and Elizabeth Colebank Mosby, for pushing me to be my best in every aspect of life. The lessons that I have learned will never falter and I am forever grateful for everything that they have done for me throughout my career.

ABSTRACT

Sim Colebank Mosby: Exploring financial accounting through real world situations.
(Under the direction of Dr. Victoria Dickinson)

This thesis encompasses many major accounting topics and different global phenomena's that have changed the accounting profession. This thesis has allowed me to understand modern accountancy and the reasons it has had to adapt to the modern world. The University of Mississippi has allowed the accounting students of the Sally McDonnell Barksdale Honors College to complete this thesis by participating in the ACCY 420 class in their Junior year prior to their internship. This class was taught by Dr. Victoria Dickinson and consisted of eleven cases throughout two semesters.

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Case 1: City Selection Case
NASHVILLE, TN vs NATCHEZ, MS

By Sim Colebank Mosby

September 25, 2019

A Profile of Two Cities: Nashville vs Natchez

During the recruiting process of accountancy, I have heard many versions of why this city is great and why this one is not. Then after hearing about a specific city that intrigues me, it immediately becomes one of my top cities but then when I get asked what is my top city is I have six or seven in mind. Through this case study I was able to narrow down my options to two of my main prospects and compare them to each other. This case study had topics related to the city and its features to how I would do laundry on a daily basis. It incorporated all aspects of life from the way I travel to what I would do on a nightly basis. This assignment has made me think long and hard about where I want to start my career, which has allowed me to pick to cities that are vastly apart and different from each other. These cities are Nashville, Tennessee and Natchez, Mississippi. Despite Natchez and Nashville being different in every aspect, I am allowed to see a side by side comparison of the two in hopes to help aide in my decision. I have been able to see these towns from a less physical perspective to more of a statistical way. I believe that doing this case study will allow me to make a better and more insightful decision as to where I will start my career.

Nashville, Tennessee is the capital of the state with a fast-growing metropolitan area that allows for any type of opportunity imaginable. Nashville has a population of 691,243 within the city but has a collective population of 1.75 million that includes the surrounding suburbs of Nashville. Due to the copious amounts of opportunities, Nashville is a very diverse community with a steady flow of legal immigrants seeking opportunities to provide for themselves and their families. What makes Nashville such a popular destination besides the vast amounts of opportunities is a delightful climate due to its

topography. Nashville has a mixed humidity climate which means that the temperature is an average high of 89 degrees during the summer and an average low of 28 degrees in the winter. (Figure II) Due to the consistent weather in the winter Nashville has an abundance of snowfall that creates a fun atmosphere. (Figure I) In Nashville the weather is never too hot or too cold which allows for ample opportunities to do seasonal activities throughout the community. Nashville has many geological factors that help create this delightful climate such as the close proximity to the Great Smoky Mountains. Due to this close proximity to the mountains, the ability to go hiking or fishing in mountain lakes is always an activity that is possible for a weekend venture or maybe a post-work activity. Although the land seems mountainous it has an abundance of flatlands that create the opportunity for fertile farmland. Not only does the geography of Nashville make Nashville appealing, the industry of Nashville is really what it is known for. Music-City brings people from all over the country to come listen to the music that they are able to provide. Due to the increase of people coming for music the hospitality industry is booming creating jobs for anyone of any position. Nashville has many opportunities for any person either living within the city or someone visiting it which makes it an incredible place to begin a career.



Figure I: Photo of downtown Nashville in the winter

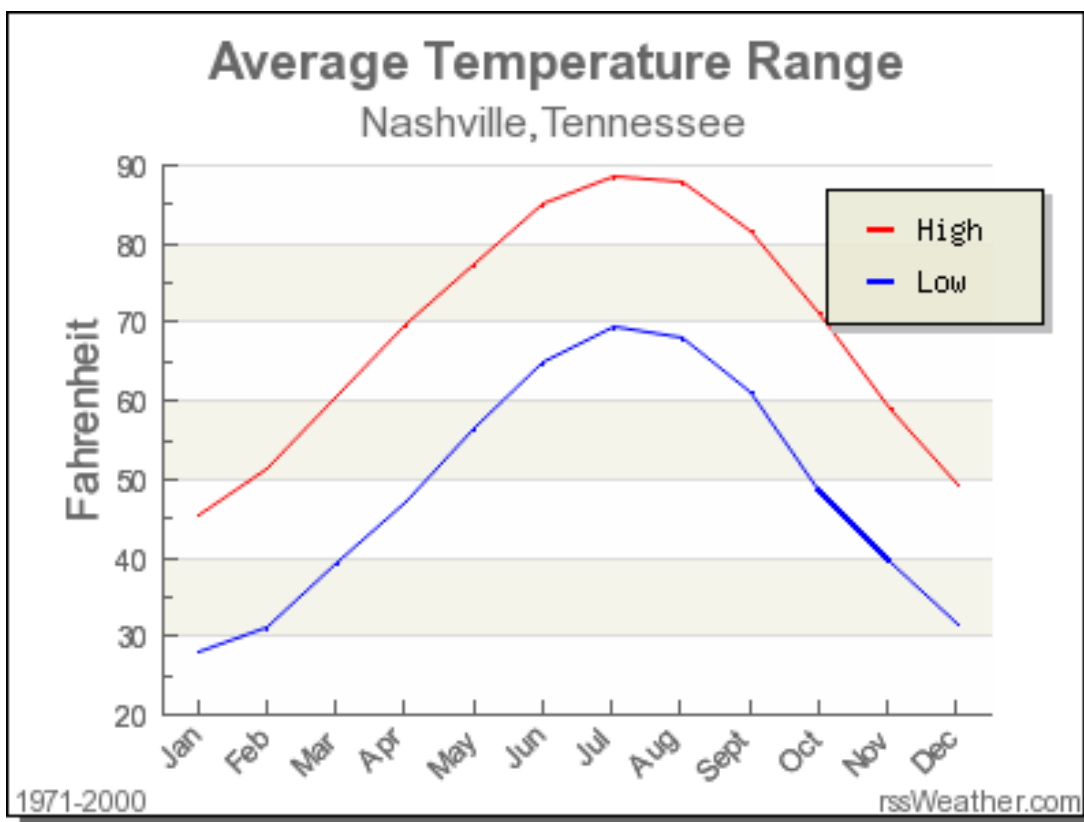
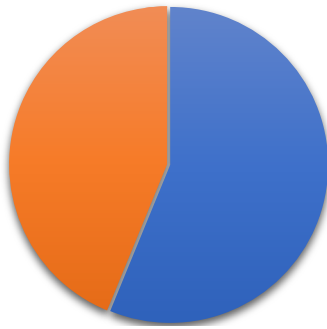


Figure II: Graph of average temperatures in Nashville

Once beginning a career in Nashville, I will begin thinking about taxes, living spaces/ costs, budgeting costs, and travel to and from work. On average an accountant makes \$55,000-65,000 per year. In TN there are no income taxes on wages that you make therefore the majority of the money you make is directly to you and not the government. TN does have a sales tax rate of 7% which is no different than Mississippi. After doing research, I configured the average monthly rent for Nashville being 900 dollars. For starting my career, I was able to find a 600 square foot 1 bedroom 1 bath house with a washer and dryer for 895 dollars per month (see budget). 311 Edith Avenue is located very close to downtown Nashville which will make commuting very easy to and from work (Figure III). I would be using my own personal vehicle for commuting to and from work using backroads and avoiding interstates. Rush hours are typical rush hours 7-9am and 4-6pm. There are also a few grocery stores located a few blocks from this location making grocery shopping very easy and convenient. Despite this location being very prominent and close to downtown Nashville, I would have to have good eye on my finances and watch my spending.

Budget
% of Income Spent



44%

Monthly Income

Item	Amount
Salary	\$5,000.00

Monthly Expenses

Item	Amount
Rent	\$895.00
Electric	\$120.00
Gas	\$180.00
Cell phone	\$45.00
Groceries	\$300.00
Credit cards	\$200.00
Auto insurance	\$50.00
Miscellaneous	\$400.00

Monthly Savings

401K	\$200.00
------	----------

Summary
Total Monthly Income
\$5,000
Total Monthly Expenses
\$2,190
Total Monthly Savings
\$200
Cash Balance
\$2,610

Nashville is only 8 hours away from Natchez, MS and there are no flights going to Natchez so I would either have to drive or fly into Baton Rouge, LA or Jackson, MS. Nashville has two airports which consist of Nashville International Airport and the John C. Tune airport. The Nashville International Airport is a large hub for 585 incoming flights daily consisting of 20 different airlines.

Nashville has one of the highest crime rates in the US with more assaults than any other crime. Any time I would go into sketchy parts of town I would have to be weary of anything that could come my way. But I would also have to look into the future and see where my children would go to school and try to place them in the best area possible. I would probably send them to public school for the first few years then until my finances increased the send them to a private school (Figure IV). I would consider the educations of all schools and the thoughts of my fellow colleagues and friends. I would then base my decision upon further research and thinking and opinion of my wife. For the first few years public school would be beneficial due to the fact that TN does not have state wide healthcare therefore I would have to fund my own unless the company I worked for supplied it.



Figure IV: Hillsboro High in Nashville

Upon living in Nashville, I would hope to get involved with the community and participate in events that the community has to offer. I would love to join a Methodist church that is relatively close located to my home as well as get involved with the Boys and Girls club because I believe they are doing great things throughout the nation. I would also hopefully be able to afford joining a country club so that I could golf and play tennis while my family could swim and socialize with other families. Not only does Nashville offer all of those amenities, they are also home to the Tennessee Titans and Nashville Predators which will allow me access to great professional athletics.



Figure V: Tennessee Titans Stadium



Figure VI: Country Club in Nashville

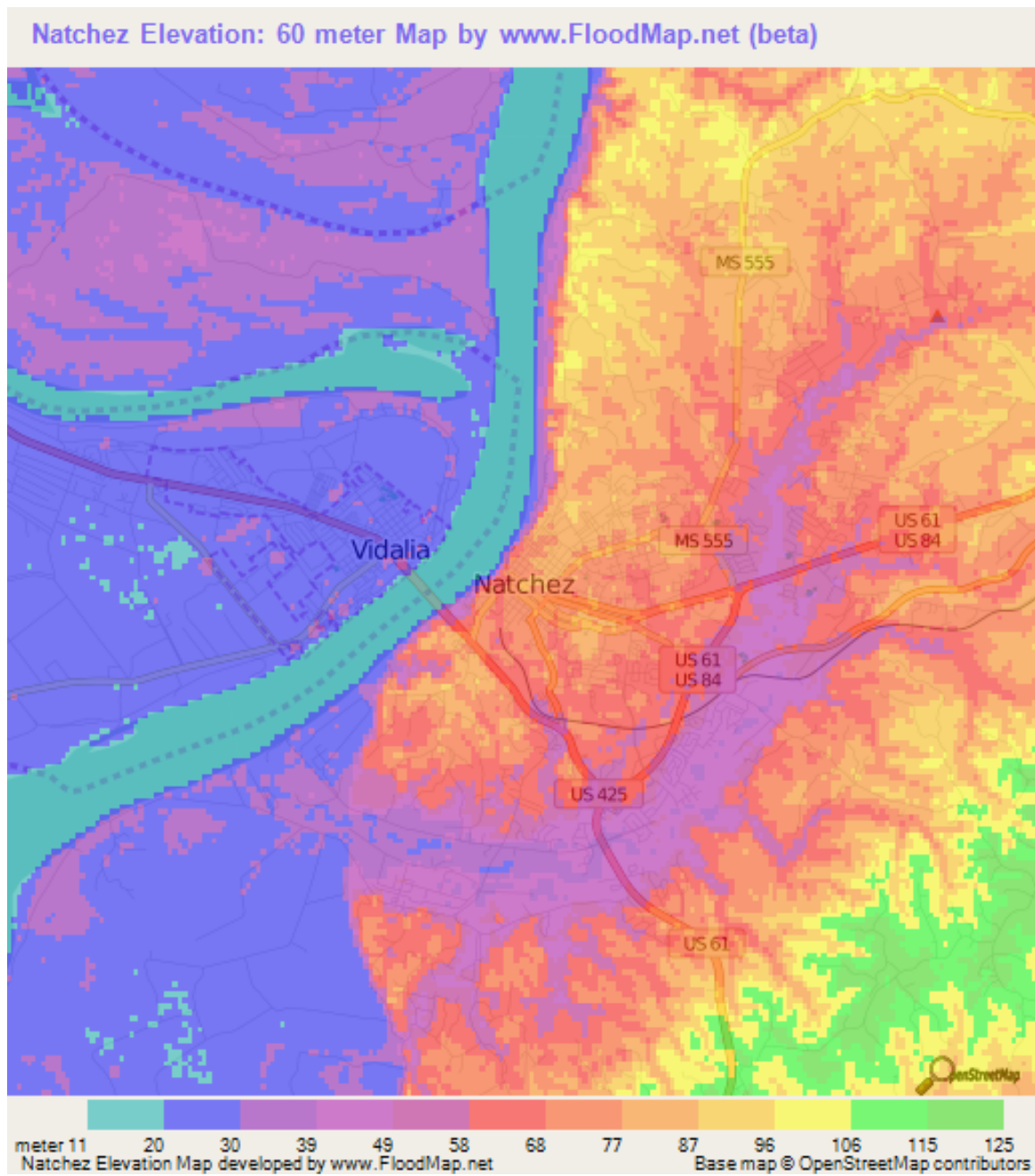


Figure VII: Nightlife in Nashville

Throughout this case study, Nashville has presented itself to be full of opportunities and a wonderful place to start a family. I believe that Nashville has all the amenities for a young person starting work as well as someone who is trying to start a family. Nashville has grown to become one of my favorite cities throughout this case and see it as a viable option for my initial place of work.

Natchez, MS is a small town in south Mississippi which is where I call home. Natchez has a population of 31,003 people inside and outside the city limits. Natchez is the oldest city along the Mississippi recently celebrating 300 years as a city. Natchez sits atop a bluff where over 20 antebellum mansions overlooking the Mighty Mississippi unto Louisiana (Figure VII). Despite the city of Natchez being on a bluff there is ample flat farmland along the river and especially across the river in Louisiana. Natchez has many different geological features including flatlands, rolling hills, and riverbanks. These geological features is what makes this small town unique and a wonderful destination to live. The climate in Natchez is very humid and hot in the summers with cooler winters with lows reaching down into the twenties. The best seasons for Natchez are mid-fall and mid-spring, for not only temperature but for the beautiful trees changing colors coming into full bloom. With more warm weather than cold weather, many Natchez residents go to the neighboring state and utilize oxbow lakes that were formed from the river changing paths a long time ago.

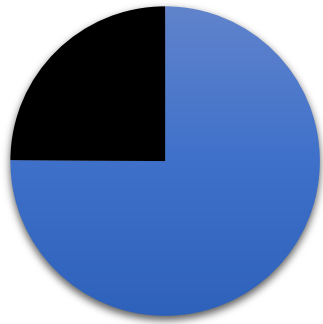
Figure VIII: Topography Map of Natchez



Once moving back home and start working I would have to begin about places to live, income taxes, budgets and travel to and from work. Because Natchez is a smaller city I would have to drive myself to and from work but traffic would not be bad so I could get to and from with no traffic at all. The travel time to and from work would be approximately 20 minutes. There are a few public transportation systems in Natchez although a personal vehicle is the best method of travel. Natchez also has an airport that has no commercial flights coming in or out, it is merely used for private flights only. For places to live I could live at my lake house in Louisiana for no charge at all for a year or so until I get on my feet and can afford my own place (Figure VIII). 1372 Highway 563 is a 3-bedroom 2.5 baths located on an oxbow lake, Lake St. John, which will allow for many activities post work and weekends. This house also has a washer and dryer which will allow me to do laundry from the comfort of my own home. Natchez, along with the state of Mississippi, has an income tax of 3-5% based on what tax bracket you are in. I would be classified in the 3% tax rate due to my monthly income being around \$5,000. There is a Walmart and local grocery store on my way home from work so grocery shopping will be an easy stop from work. With this potential set up my finances would be in excellent shape for saving money to move into my own place after two or three years (see Budget).

Budget

% of Income Spent Summary



25%

Total Monthly Income
\$5,000
Total Monthly Expenses
\$1,245
Total Monthly Savings
\$400
Cash Balance
\$3,355

Monthly Income

Item	Amount
Salary	\$5,000.00

Monthly Expenses

Item	Amount
Gas	\$180.00
Cell phone	\$45.00
Groceries	\$300.00
Credit cards	\$120.00
Auto insurance	\$50.00
Miscellaneous	\$400.00
Income Tax	\$150.00

Monthly Savings

Date	Amount
401k	\$400.00



Figure IX: Lake House in Louisiana

Natchez's major industry is the rise of tourism due to the surplus of antebellum homes still standing and not being destroyed by the civil war. Although this is Natchez's best-known industry, it also has many other industries such as Great River industries which is a specialty fabrication plant for construction. They build and fabricate large objects for massive buildings which are then transported all across the world. The five largest employers in Natchez consist of Natchez-Adams School District, Walmart, Merit-Health, and the Adams County Correction Facility. Despite these being the largest in Natchez, they are not the most prominent in the town. There are many smaller operations that have a bigger impact on the community as a whole.

Natchez has one of the highest crime rates in the nation compared to size of community of 70 to every 1,000 residents. There are no statistics as to which crime is most prominent but from being there robbery is by far the most heard of. Thinking about the future and schools for my children I would send them to a private school due to the fact of the Natchez public-school system being one of the worst scoring in the nation. I would probably send them to Cathedral High School because of the education being the best in the Miss-Lou area (Figure IX).

Figure X: Private School in Natchez, MS



When back in Natchez I would get back involved with Jefferson Street United Methodist Church. With church I would get involved and assist in the youth group associated with the church and be a mentor because this group made me who I am today. I would join Beau Pre Country Club where I would be able to be involved with golf, tennis, and the social atmosphere (Figure X). The proximity of Natchez to Baton Rouge and New Orleans is relatively close, so I could venture down to watch an LSU sporting event or I could go to watch the New Orleans Saints or Pelicans in either football or basketball (Figure XI). Despite Natchez not having a sports team of their own, there are plenty of opportunities to go to big cities within three hours that have these amenities.



Figure XI: Beau Pre Country Club



Figure XII: Superdome in New Orleans, LA

Upon analyzing and comparing Nashville and Natchez, Natchez seems the best location for me to settle. It offers me many thing Nashville cannot such as close proximity to family and a lower cost of living. I believe this would allow me a better opportunity to thrive in a field I love as well. It would create larger opportunities for me to build credibility and get involved in the community whereas a big city could not. Nashville is still a viable candidate, but on paper Natchez seems the best choice for to start my career.

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Case 2



*The Board of Directors of the
Corporate Finance Institute® have conferred on*

Cole Mosby

*who has pursued studies and completed all the
requirements for the certificate of*

Excel Crash Course

*with all the rights and privileges
pertaining to this certificate.*



*Certificate number
13811294*

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Chair of the Board

Scott Powell
Director

Lisa Dorian
Director

Sep 26, 2019

Sim Colebank Mosby

Brexit Case

October 9, 2019

Brexit Summary

In this case, I learned about a global phenomenon that I had previously have never heard of. I was able to gather information about the European Union and how they claim to be a democracy yet the people in the countries under the EU have no say in what goes on. Britain is not happy with the way the EU has been run and how it is not a true democracy. There are five hundred and thirteen million people that reside under the European Union and the United Kingdom has sixty-six million people themselves making them one of the largest countries under the EU. With that being said, many would presume the UK would hold most power if this system was a true democracy. The United Kingdom has been out voted seventy-two times out of seventy-two times in big decisions regarding the EU as a whole. In the initial vote, the vote was nearly even for leaving the EU and staying in it. But since that initial vote in 2016, the voters have flopped to remaining in the EU because they are scared that they will suffer greatly. They believe that the economy will fall and they just don't like the change that will occur if this phenomenon were to pass. This case has allowed me to see both sides of the Brexit decision and how the Britons feel about it. But it has also shown how unfair the EU is and how they abuse their power for the betterment of themselves. Even if Britain stays in the EU, it has opened the eyes of many showing who the European Union really is and how they operate. This will allow for improvement in the system making it fairer and just to the people falling under the European Union law.

The European Union officials hold all power which has essentially turned into dictatorship where no common people have any say with policies that are imposed upon them. Britain is very displeased with this system because they were under the impression

this would be a true democracy when they created this system. Britain is determined to leave this system due to the fact that they cannot change anyone's mind. The European Union imposes laws on twenty-eight countries, where every country gets equal say when voting on these decisions. By being in the EU, Britain is being drug into situations that they do not want to be in and when they vote against it they lose and have to go with the majority. When people were asked how situations like these could be avoided the common response was that the people should be able to remove people in power. There are four presidents of the EU and most people living under rule of the EU did not even know who they were or what country they were from. Whereas parliament has majority control in most countries, parliament has zero power within the EU. It has no meaning but being in politics. If a person is classified as an EU official they have all the power within the system. They make all important decisions due to the fact that they debate in secrecy and their decisions cannot be influenced by anyone. The European Union has no presence in people's lives although they influence them in every aspect of their lives.

Britain also does not like the way the European Union operates and how all the members abuse the system that they have access too. The members get "payed in perks" which means that they get their own shopping centers that is only for their usage. Over ten thousand members get paid more than the prime minister of Britain. The EU also gives loads of tax payer dollars to universities and large corporations whilst many people disapprove of where their money goes. Not only does the EU have control of where their money goes, the EU has also controlled and treated Great Britain very poorly. They took Britain's fishing rights and restrained them to fish in waters that had very few fish and let other countries have the prime fishing areas. They also payed other fisherman to destroy

their boats so that they could no longer fish. The EU played favorites which irritated many people which enabled them to support Britain leaving the European Union. The European Union took total control after World War One, which led to the regulation of industry in Great Britain. After the war, Germany was given everything for reconstruction and Great Britain was rationed even though they won the war. The EU took their power and put it to use imposing laws and regulations on things that made no sense. For example, there are numerous rules pertaining to pillows and pillow cases. Large corporations love the EU rules due to the fact that they destroy their smaller competition. These rules basically promote big business. The EU can tax whomever they would like for any amount and there are no ifs and buts about it. The people under EU rule have to accept it. The European Union is corrupt and the majority of the United Kingdom has previously voted for moving from under this scrutiny. It has been voted on before and the vote to secede was fifty two percent in favor. The reason it hasn't happened is because this is the most important decision that Great Britain has voted on in the past century.

Despite having there being benefits for the United Kingdom enforcing Brexit, many voters are rethinking their decisions based on the long-term effects this could have on the UK. Many UK residents are scared that they will not receive the appropriate deal from the EU. They are also precautionous of how the economy would change if this were passed and put into action. Many voters think that Brexit will have a negative impact on the economy basically putting them into a "great depression" like state. Despite many thinking this way, many merely just do not know what is going on due to the fact that EU is so secretive about what they do. For over a century the European Union has been the

government that makes decisions for the United Kingdom, therefore people are skeptical whether or not Britain could function as an independent entity. On a broader perspective, the UK would potentially have to change their currency and as well as their government system. They could always return to the monarchy system or they could turn into a true democracy electing a prime minister in popular vote by the people in the UK. Historically change is never the answer which has the voters skeptical that they would make the wrong decision to vote for removal from the European Union.

After the documentary the thought of leaving the European Union was my answer to the situation. But after extensive research I have concluded that leaving the European Union would not be the best decision for the future of the United Kingdom. I was unable to find out if the UK had an extensive plan on their agenda once they were granted removal from this system. They would have to change every aspect of their government compared to what it is today. They have been dependent on the European Union for funding and laws, and if they were to leave they would have to restart almost as a new country. The economy would take a massive hit attempting to generate revenue to allow the government to function as one unified body. The government would have to allocate money to different departments leaving some with nothing while they attempt to maximize the other. I also believe that this decision has its perks including being independent from ridicule by the EU. But the cons of leaving the EU heavily outweigh the pros of leaving in my opinion. If Brexit were to take place the United Kingdom would suffer greatly with no support from a higher power. They would have to rely on other countries and then be in debt as they try to rebuild.

Sim Colebank Mosby

Coca Cola Case

October 30, 2019

A Deeper look into Coca Cola

Coca Cola is one of the most profitable companies to ever exist in the entire world. Through this case I was able to get an insight as to why they are so successful in their endeavors. At initial thought, I just knew that Coca Cola was successful and that there wasn't much to it besides that. They merely just made a lot of money and there was nothing complex behind supplying drinks across the world. Once I was able to navigate my way through SEC.gov website and find Coca Colas 10k, I was able to take a look at the real financial statements and footnotes that accountants at coke create and use for daily business. When I thought of Coca Cola, I merely thought of Diet Coke, Coca Cola and Dr. Pepper. Little did I know; Coca Cola owns over 500 different nonalcoholic beverage brands which allows them to have great success for all types of people across the globe. Coca Cola bears trademarks owned by or licensed by us to account for more than 1.9 billion of the approximately 61 billion servings of all beverages consumed worldwide every day. I was able to see how Coca Cola generates this revenue through this case and I was also able to see how money was being spent on expenses and new purchases to potentially increase revenues in the long haul. This case gave me a perspective on how finances of a company are actually generated and what a Fortune 500 companies financial statement look like.

Coca Cola is one of the most profitable companies to ever exist on this planet. This company is based out of Atlanta, GA but has 5 national hubs in Asia Pacific, Europe, Middle East, Africa and Latin/ North America. These hubs act as a different headquarters for the region, which helps divert so much traffic from Atlanta to a closer geographical location. Along with different geographical hubs, Coca Cola's fiscal year

ends on December 31 which is the same as the calendar year. Because this is the same as the calendar year, financial statements are easier to read due to the fact that they are on the same time period as humans. Being an actual year for the fiscal year allows for all global hubs to be on the same page regarding dates and when assignments must be accomplished. Ernst and Young is head of all auditing world-wide for Coca Cola. The Atlanta office of EY is the one particular office that heads all of the operations.

Coca Cola being such an incredibly large company, one can imagine the magnitude of assets that they have. Like most balance sheets the current assets are stated in order of their liquidity then it continues to investments, property, plant and equipment, then onto their other assets. The current assets of Coca Cola are listed as:

- Cash and cash equivalents- time deposits, highly liquid
- Short-term investments- “We classify time deposits and other investments that have maturities of greater than three months but less than one year as short-term investments”
- Marketable securities - securities or debts that are to be sold or redeemed within a year. Easily converted to cash
- Trade accounts receivable, less allowances of \$489 and \$477, respectively - amounts billed by a business to its customers when it delivers goods or services to them in the ordinary course of business
- Inventories
- Prepaid expenses and other assets - future expenses that have been paid in advance
- Assets held for sale - long live assets that the company has a plan to sell

- Assets held for sale discontinued operations - parts of a company's core business or product line that have been divested or shut down and are for sale

Following the current assets are the investments:

- Equity Method Investments- investment of other entities where you have controlling interest.
- Other Investments

Property, Plant, and Equipment:

- Recorded at costs, Depreciation is recorded principally by the straight-line method over the estimated useful lives of our assets
- Includes machines, equipment, buildings, land, fleet of vehicles

Other assets/ intangible assets:

- Payments of investments of infrastructure programs with the bottling distribution centers. There are also advances to customers for distribution rights.
- Trademark with indefinite lives- intangible assets
- Bottlers Franchise Rights with indefinite lives- intangible assets
- Goodwill- arises when a company buys another business. Represents assets that are not separately identifiable
- Other Intangible assets- long-term resources of an entity but have no physical existence. Two categories: 1) limited-life intangible assets (patents, copyrights, and goodwill) 2) Unlimited-life intangible assets (trademarks)

Liabilities:

Current Liabilities:

- Accounts Payable- money owed by a company to its creditors

- Notes Payable- account in which a company records the face amounts of the promissory notes that it has issued
- Current Maturities of Long-term debt- liabilities that are due in the next twelve months
- Accrued income taxes- income taxes that have been accrued but not paid
- Liabilities held for sale- something held for sale rather than future use
- Long term Debt- any outstanding debt that has a maturity of over twelve months
- Other Liabilities- something that a company must pay but are too small to record on a balance sheet individually

Equity:

- Common Stock- shares entitling their owners to dividends pending the company's success
- Capital surplus- amount a company raises on the issue of shares in excess of their par values
- Reinvested Earnings- amount of net Income left over after dividends has been paid out
- Accumulated other comprehensive income- includes unrealized gains and losses
- Treasury Stock- shares that a company keeps/ purchases of their own shares

Relevant Policies for Coca Cola:

- Relevant policies: Basis of representation, principles of consolidation, assets and liabilities held for sale, Discontinued Operations, Revenue Recognition, Advertising costs, Shipping and Handling costs, Sales, Use, Value-Added and Excise Taxes, Net Income per Share, Liabilities, Equity

Coca Cola is such a large company that it has expanded into over two hundred countries throughout Europe, Asia, North America, and South America. Essentially anyone in those countries can obtain a beverage that Coca Cola produces or owns. Coca Cola sells products directly to consumers but most of the time they are sold directly to the distributors. The distributors range from gas stations, super markets, venues, and vending machines. Coca Cola makes majority of their revenue by selling concentrates, syrups and certain finished beverages to authorized bottling operations. They then generate revenue by selling these finished products to different distributors pending the demand for a specific product. Along with generating revenue there are certain revenue recognition policies that go along with it. Revenue is recognized when performance obligations under the terms of the contracts is satisfied.

Being such a large operation creating products that contain many ingredients there are a plethora of suppliers that are involved in the process. Sucralose is an essential raw material from the United States and China. Orange Juice is purchased strictly from Florida and Brazil (Cutrale Citrus Juices U.S.A). Polyethylene terephthalate (PET) resin is used for bottling purposes for glass, plastic, and aluminum bottles. Coca Cola has purchased PET from all over the world and has never experienced any shortage thus far. There has been no particular supplier for PET or Sucralose, it is merely who meets the demand we need. Despite there being a plethora of ingredients, there are only a few things that go with our cost of goods sold. The ingredients are some numerous and small that they cannot all be labeled individually. The majority of COGS consist of sweeteners, metals, juices and PET.

Any economic entity encounters expenses throughout a fiscal year, Coca Cola labels their expenses as selling, general and administrative expenses. This allows them to consolidate them for easier access to totals. Similarly, to other liabilities, these expenses are too small to classify individually so they are classified as a lump sum. Other operating expenses outnumber any other expense category yet are still too small individually to classify. Net Income has fluctuated over the past three years due to the constant changes in expenses. In 2017 Coca Cola had a very high tax rate due to a one time 3.6-billion-dollar tax. Net Income was at 5,496 million in 2016 but decreased to 2,148 million in 2017. But Net Income was right back where it left off in 2018 reporting a 4,334 million income. According to Forbes, Coca Cola's expenses (COGS and SG&A) have decreased since 2015 due to their new franchising model and other management strategies. Due to this, net income is steadily increasing and expenses are slowly falling.

The net cash flows have been higher than net income in the past years. Net cash from operating activities has increased by 390 million dollars, or 6 percent, in 2018 from 2017. This was driven by operating income growth and the efficient management of working capital offset by the impact of refranchising bottling operations and higher interest and tax payments. Along with cash flows being higher than net income, there are significant estimates to be made on the balance sheet. For example, when determining Cokes annual income tax expense and evaluating our tax positions. Coke could also estimate potential losses but they probably will not have to do that anytime soon.

Sim Colebank Mosby

Thomas Sowell Case Study

December 4, 2019

Case of Thomas Sowell

During this case, I was able to see a different perspective of how the life of African Americans has evolved since the slavery. Granted, this documentary/ interview did not go into depth about life post-slavery but it did mention how the lives of these people were affected and changed. Thomas Sowell addresses essentially all major problems regarding race that we see on all news outlets today. By seeing these problems from a different perspective such as Sowell's, it makes me really think about what is actually true and what the real reason to all of these problems arise. By seeing specific problems from a different perspective allows for more improvements to alleviate these issues. All in all, any opportunity to be more open minded in any situation will allow for problems to be resolved faster and less problems to occur in the future.

Thomas Sowell considers himself a man of constrained vision which is embodied around the acceptance of human realities. He acknowledged that nothing in nature resembles equal opportunity. Sowell believes that the rich became rich from taking from the poor which is an unfair statement because the wealthy became how they are from hard work and determination for the most part. Sowell then dives off into how racism is still in existence and calls out white Americans for creating the problems that African Americans still face. Because of this belief, there is still a divide between the races allowing for thoughts of racism still to become more prominent. After slavery African Americans were left astray by recently being set free and having no knowledge of how freedom works. Due to this, African Americans needed help from an outside source to create a better opportunity to enhance their success in their new world. According to Sowell, African Americans were far better off until the government started intervening.

After welfare was implemented single parent households were far more common because why would a person get married if they are being paid to not get married. Due to affirmative action harming more than it helps the welfare system ultimately hurt how the African American community advanced in society.

After the government got involved with the enhancement of blacks, Sowell exclaims that there was a downhill spiral with how blacks did not succeed as much as whites. For example, half of the African Americans at Cornell were put on academic probation. Cornell is a notoriously difficult school which is not surprising that students were put on probation for low academic performance. Many blacks in the United States, do not meet the current curriculum for the higher academic schools. This scenario comes about due to the single parent household and the lack of income being produced in a household. With a lower income household, the opportunities for a better educational experience is slim due to the increasing price of a quality education. This all circles back to the idea of how African Americans were better off until people started intervening and the welfare system was implemented. Instead of searching for next level education opportunities, many African Americans go straight into the workforce looking for a better opportunity there instead of extra schooling. By implementing the idea of a welfare system, it would enhance the quality of African Americans because there would be more marriages and people would have to work harder to provide for their family. By working hard, incomes of families would be greater compared to people waiting on the check from the government to provide for their families. If the welfare system was taken out the laziness factor of people would decrease because they could no longer sit on the couch and receive a check, they would merely have to work for their check.

Sowell makes a statement during his interview that is very contradicting and irrational. He states that, "White people caused the problem now whites have to fix it." This statement calls out a specific race but he later says that slavery was not confined to one set of racists. Due to Sowell calling out the white Americans, there is a natural divide between blacks and whites. Every time progress is being made due to decreasing racism something comes about and boosts the divide by a statement that rubs a specific group the wrong way. All in all, Sowell's thoughts contradicted themselves with each other but ultimately were a result of one of his previous statements. Despite Sowell blaming whites for all of African Americans problems, he likes Donald Trump's policies he has implemented as president. Although he like the policies, he dislikes the consequences and turns the television off when talk of Trump comes on. Thomas Sowell presents very controversial topics during his interview which allow for vast amounts of discussion. Hopefully this will allow for deep discussions to break down the small divide that still exists in between races to this day.

Sim Colebank Mosby

Regulation FD Case

January 29, 2020

Regulation FD

Previously I had not heard about Regulation Fair Disclosure due to my age. Once I was learning about public companies and how they had to display their records, I assumed that they have had to be public since the beginning of the company. By being public companies, it would only make sense to allow access to financial records to the public for future investing activities. By making previously nonpublic information public, it allows for the stockholders and future stockholders to see through the company and see the viable information that sways their perception of the company. This also allows for the government to monitor larger corporations without doing investigations which is more financially and time feasible. Regulation FD created a different dynamic towards public businesses in how the company was run compared to previously. This case has really opened my eyes by allowing me to see the past history on rules companies had to follow. By seeing this, I am able to see the progress that is made towards making larger corporations more transparent and having less availability to hide something within the walls of the entity.

Once Regulation Federal Disclosure was passed, accountants and CEO's of companies had to come up with the most efficient way of implementing an idea into action. With this new policy in place, the CEO's of the particular companies have to take specific action to avoid doing what they previously had been. Before 2000, corporations did not have to disclose information to the public yet their current shareholders received this information from their brokers or reading annual and quarterly reports. Having only partial access to a company's financial statements once or twice a year put the investors' money on edge because they did not know if they were making or losing money. By only

seeing the financial status once or twice a year, really killed the mood for potential investors. If a person wants to invest in your company one month they might have no interest the next month. For a client who is CEO of a company, I would explain that this is a good thing for his company because it allows for potential investors see how the company is doing in that instant. Unless the company is doing bad financially, this will benefit him. I also would explain what fair disclosure is and how does this affect the day to day operations of his company. Regulating Fair Disclosure just basically states that all previously nonpublic information is now public and available for access. This creates a fair opportunity for all investors due to the fact that some high investors received information before others. I ensure my client that this will be good for him although it will take some work to get used to this change.

Regulation Fair Disclosure is in existence due to insider trading because companies such as WorldCom allowed exclusive information for their employees and not for their other shareholders. Due to the fact that exclusive people were able to see financial information that others were not. The people with this information were able to get out if they needed to or invest more. Because of this, many people lost a lot of money whereas people that had the exclusive information made decisions that others couldn't. According to the Motley Fool, the sole purpose that financial information was disclosed to people other than Wall Street was that the other people were presumed they could not handle it. It was presumed that individual investors need an interpreter to dissect the meaning of the statement. By only allowing access to specific entities individual investors that can read the statements were only penalized by the perception of public companies.

Posting nonfinancial information regarding my client's company did not violate Reg FD. Reg FD regards financial information and my client did not post about any finances. There are other reasons that this could be illegal, especially if this were to explicitly state information regarding a client. But according to the information given, my client did not post about any client therefore this could be considered an advertisement. Giving the circumstances, the post could be giving some logistics showing the efficiency and strength of the company in a specific market. After reading Forbes, my opinion still remains the same. The sole reason this is because my client did not say anything regarding finances. Elon Musk's tweet regarding some financial numbers which made it illegal. By what I was given about my client's post, it seems like he did not violate the Reed Hastings Rule therefore faces no legal consequences.

Sim Colebank Mosby and Maddie Dyess

Case 2: Is it taxable?

February 12, 2020

Is it taxable?

For our second case in Accounting 420, we studied a unique situation with a young YouTube star. At 13 years old, she is making between 10,000 to 15,000 a month in advertiser revenue with the addition of free merchandise from brands. Our task at hand was to figure out if this income for a minor is taxable and to what extent. For our first memo, we had to summarize the situation to our partners. We addressed that Mr. Clementine's tax return could be compromised due to his daughter's income. We also discussed with them that Emma would need to file a tax return due to the amount of her earned income. Our second memo was an email to Mr. Clementine himself. We informed him that our lunch meeting left us with some worries involving his daughter Emma. We told him that his tax return was clean, but Emma would need to file her own return immediately because IRS fines could be faced potentially. This case was extremely informative and helpful in learning about tax laws, especially in consideration to minors. Previously we did not know that income made from Youtube and like social platforms are liable to be taxed regardless of age. Considering the social media age we live in today, this information is very pertinent. It also interested us both in tax when considering what our future careers will be.

LETTER

Dear Partners,

I hope all is well with you all. After a lunch meeting with an extremely important client of ours, I am troubled. Over our salmon salads, I began to discover and uncover additional information that I was not previously aware of in regards to his personal life. Currently, we will be filing Roger Clementine's personal tax return and potentially his brother-in-law's tax return, another Fortune 500 Chief Officer. However, Roger Clementine has a daughter by the name of Emma. For the past four years, Emma has been making \$10,000-15,000 a month in advertiser revenue on her youtube channel. Additionally, she receives free products and clothes that brands intend for her to feature on her platform. My fear is that there may be tax ramifications for Roger Clementine's tax return due to the nature of his daughter's business. In regards to the products she receives, as long as she receives them entirely free, they do not have to be taxed. If a brand requires that she posts the product in order to keep it, the IRS would consider this bartering and the sample value can be taxed. Clearly, since Emma is making far beyond the benchmark of \$12,000 a year that a minor can make, we have a situation. Since we cannot assume that Emma provides more than half of her own financial support, Mr. Clementine should legally be allowed to claim her as a dependent. I believe Mr. Clementine's tax returns are clean, but Emma's earned income is taxable. Considering she is only 13, it is partly the parent's responsibility to ensure that her income is taxed. Due to the fact that there is some level of responsibility regarding the information I learned, I am going to handle the situation with Mr. Clementine immediately. I will keep you all updated with the steps Mr. Clementine will take regarding his daughter's taxes.

Best,

Cole Mosby or Maddie Dyess

EMAIL

Mr. Clementine,

I enjoyed our lunch meeting today and am thankful for the opportunity to catch up. After getting back to the office and conversing with my fellow tax team, I have a couple of concerns as it relates to your daughter Emma's YouTube income. From the information you shared with me, I believe that your tax return is clean as long as Emma is not providing more than half of her own support. However, her earned income exceeds \$12,000 a year, and that requires her to file her own tax return. Due to her age, you and your wife are partly liable in the situation at hand. She will obviously be in a different tax bracket than you considering that her income is far less. Since you all were unaware of Emma's need to file a return, let's try and get the ball rolling on her current year tax return. However, she has been delinquent for three years, so she could be facing up to \$75,000 in fines. We want to attack this as soon as possible since the IRS would most likely want to work with us and collect rather than fine Emma. I would also like to address the free merchandise Emma has been receiving. As long as there are no requirements from a brand in regards to her use of the product, she is not responsible for any type of taxing. If she does enter into an agreement with a brand, the product will need to be taxed at market value. Our company values our business with you, and we want to be sure that you and your family are taken care of and in a great place financially. Let's

try and set up a phone call or meeting as soon as possible to nail down a plan of action. I look forward to hearing from you soon.

Best,

Cole Mosby or Maddie Dyess

Sim Colebank Mosby

Blockchain Case

March 6, 2020

Blockchain Case

Through this case we were able to explore the ins and outs of the blockchain system which I previously had not heard of. In this particular scenario I was placed in the “cloud” portion of the system and our particular task was to create a ledger for all of the people acting as four separate states. In an actual blockchain system, the cloud is computerized and all of these particular transactions completed by the states goes into the cloud and is processed by a computer. By doing this by hand, it allowed me to see the importance of computers in the working world because it was utter chaos trying to sort through 40 different people’s transactions. Once I get into the working world, this case will allow me to reflect on how the system actually works and what the system was made to do. Throughout my career, I will be handling situations like these where I am put to a task where I have to sort through piles of data and sort them accordingly. This case was put into the game of Monopoly which allowed it to be fun yet stressful when trying to deliberate with your particular group. Blockchain deals directly with cryptocurrency which has started being used in astronomical measures compared from the past five to ten years. People began buying and trading cryptocurrencies as normal currency and it seems to be that the world is slowly transforming into a cryptocurrency world. With everybody moving to these currencies, there has to be an incredible system to manage all of these transactions and exchanges. Blockchain is by far the best way to manage these transactions up to the current date and I believe that it will only advance into the system that will be able to handle all transactions that happen on a daily basis.

Blockchain sounds very difficult to understand and comprehend but after reading about it, it is a very easy concept to grasp. Blockchain is literally represented as a chain

of blocks. The “block” is the digital information and the “chain” is where this information is stored publicly. The blocks store the dates, amounts and time of your recent purchase. Different blocks store different information to be distinguished from each other. If you use Amazon as an example, thousands of transactions are recorded in a specific block and these transactions all relate to each other through similar purchases. The chain publicizes this information to make it accessible to whoever wants to see it. But once a block has been publicized and verified, it is very difficult to go back in and alter the contents within the block. Through reading about blockchain, I was able to understand how large companies keep records of their transactions and how they can analyze them to see what is being successful and what is not.

Previously I stated that I was part of the “cloud” in the blockchain case where I acted as the computer and put all of the information in the blocks to publicize them into the chain. More specifically, I was called a runner where I would go from state to state and record the transactions that had occurred then take them back to the cloud to put them into the chain. Initially the game was mass chaos and utter confusion due to the fact that nobody had any idea as to what blockchain was and as to what we are supposed to be doing. But as the game continued, everything started to fall in place and take order making recording these transactions a lot smoother. Being a runner, we would take many transactions at once to the cloud to record in the ledger which also was a jumble until we had a plan as to what our ledger was going to specifically record. Once all the plans were decided and people began to understand the gist of the game, operations began run more smoothly. In my mind it resembled trying to merge a debt-ridden city with a profitable neighboring city. Using this comparison, I thought of it as once the merger starts it is total

chaos because there are people with all these ideas but are avoiding working together in order to formulate one main goal. But as time goes by, all the ideas and suggestions start to become more like minded and allowed for the main goal to flourish and become the main target for both cities. As the cloud, I considered myself as a city official working with the other cities officials to create a way to merge these two things as smoothly as possible. This case was very intriguing and hectic at the same time because all members of the game were working for one main goal but the communication was slim between everybody therefore creating a difference of opinions and how things should be run.

BIG MAMA/PAPA TRANSACTION LISTING:

	TURN #	DESCRIPTION OF EVENT	AMOUNT
state 4	28 28	Vermont Ave Rent	6
	8	Connecticut Ave	
		Connecticut Ave	
	16	Income tax	200
	32 27	Oriental Ave	100
4	28	Rent Rev	5
	16	Rent Ex	10
	20 → 8	Rent Ex	10
	27	Tax Refund	20
state 13	13	44 → 10 NY Ave	16
state 3	2	25 → ¹⁽⁷⁾ _{Bm+P} Tenn Ave	14
state 4	4	20 → 28 States Ave	10
total	3	32 → ¹ _{Bm+P(7)} Tenn Ave	14
S1	3	3 → 29 Kentucky	16
S1	3	35 → 29 Indiana Ave	18
	4	10 → ^{Bm+P} 13 Boardwalk	20
S2	4	44 → ^{Bm+P(2)} 45 Marvin Gardens	24
S2	4	17 → North Carolina	
S2	4	14 → ¹ _{Bm+P(7)} Tenn Ave	14

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This photo represents the transactions regarding rent between the four states during the game. We had to include the state, player number, who was the payment to, and the them amount each payment was.

Sim Colebank Mosby

Interview a professional Case

April 1, 2020

Interview Case

During this case I was able to interview a certified professional accountant that works for an accounting firm in Natchez, MS. Peyton Cavin is an exceptional accountant that is very prominent throughout the city of Natchez. Cavin is a partner at Silas Simmons, LLP which has two locations consisting of Natchez and Monroe, Louisiana. Fortunately, I knew Cavin beforehand allowing for easy access to an incredible source regarding my profession. Throughout the interview, Cavin casually hints at how much work that this profession takes and how intricate the work is. Granted, I have lived with an accountant for my entire life and had heard that before but it really put it into perspective hearing it from another professional. Through this case I was privileged to learn the ins and outs of what it means to be an accountant, why the profession is needed and how current world phenomena's affect the way the business runs and performs. Cavin describes what COVID-19 has done to affect the accounting world by pushing back the tax deadline but yet people are working from home because they do not want to be in close proximity to large numbers of people. Because of this, work progress has slowed down tremendously and being able to contact people is harder now because they aren't two or three doors down from you. This case was very beneficial to me and it reassured me to know that this is what I want to do with my career.

Once I began the interviewing process, the question that I asked surprised me as well as Cavin. He initial thought these were strictly accounting questions but he was very intrigued as to when it started off more personal related questions not really pertaining to accounting. But as the questions got deeper, he was able to see the correlation of how they all flowed together and how they related to accounting. I was relieved to get very

interesting answer from Cavin, not your cliché answers that many get. He explained every answer thoroughly and attempted to relate them to how they have impacted his accounting career to this day. His responses varied from personal stories to professional statements which created for an interesting interview that never had a dull moment.

1. Tell me about your life growing up before you started college or your career.
 - Cavin stated that he lived in Woodville, MS growing up and he started working a full-time job at the age of 14. He also mentioned that his father worked all day and night and that is the only thing he knew how to do. When the first day of summer when he was 14, the telephone rang and it was his father saying he had a job as an electrician lined up for him. 8 years later he still worked the same full-time job until he went to college. Cavin said that during his years as an electrician he learned to work for fun, and learned to love having money in his pockets but at the same time learned to dislike manual labor.
2. What were your college years like?
 - Cavin went to Mississippi College where he studied accounting. He reflected on his time there and said if he had to do it all again he would have chosen a larger school to obtain a more ideal college life. He said while he was at MC, he was there to learn and only learn. During his summer break he would go back home to Woodville and begin his work as an electrician.
3. Did you know that you wanted to do accounting as your profession when you went to college?
 - As he embarked on his journey to college he knew he wanted an indoor job rather than working in the heat like he currently did. When he was a senior in high

school Cavin participated in career exploration survey and his results were astonishing to him. His results put him as an accountant, lawyer or financial planner while being an electrician was ranked as what he would not fit in with. During his first semester of freshman year he did not have a major selected but once second semester rolled around he had to declare a major and he just marked accounting and ended up sticking with it.

4. Walk me through your jobs before you got to where you are now.
 - Cavin has only held two jobs throughout his career. He has been an electrician as well as an accountant. He also still holds the electrician job but he only works this job when he isn't busy with his accounting work. So he states that the days of his electrician work is few and far between his everyday job of accounting.
5. What has your life been outside of work?
 - Besides working as an electrician, Cavin loves to travel and attend college football and baseball games. He tries to do these as much as possible but he says that his work seems to take many opportunities to do these activities away.
6. What has been the best vacation you have ever taken?
 - The best vacation he has taken wasn't really a vacation he said but he and his wife made it into one. They went to Grand Lakes, Colorado for a wedding and rented a car and traveled the countryside from the Denver airport. Once getting to Grand Lakes, they rented a boat to enjoy themselves on a lake during the cool summertime in the mountains. After the wedding, they continued to explore Colorado taking the Independence Pass and staying in Aspen for a few days. They went down beaten paths to get to cities and sites that locals told them that they

would see the best scenery. Cavin stated that the best part of the trip was being lost in Colorado exploring the scenery ultimately finding their way to their next hotel or residence.

7. If you could change two things about your life what would they be?

- Cavin wishes he would have found more things early in life to enjoy. He never had time to find hobbies when he had a full-time job since the age of 14. HE ultimately states that he has no regrets thus far in life and how he has approached it. He loves everything he does and doesn't want to complain about anything good he has going on in his life.

8. What do you wish you would have known when you were 21 years old about life and your career?

- He states that it is hard to see things in reality at the age of 21 and you are not as important as you think you are. We don't know anything about life yet because college does not teach you how to tackle all the obstacles life throws at you. He says that it gives you challenges but they merely do not compare to anything in the workforce. He also says that patience is the greatest virtue that anyone could have and that they need to learn. It takes time to make money and you need to only make smart moves and stick with it. Don't change your strategy or your decision if you are unsure about something, you need to be fully committed in your decision.

9. What are you most proud of?

- Cavin is not very prideful because he feels like that would be bragging and his character keeps him from doing that. He feels like he is just going to do the best

he can regarding the situation because it isn't a task that anybody couldn't have done. He feels as if people could do it better than he can so he just makes sure his work is right so people will trust him and his work.

10. What will be the biggest challenge for your generation and my generation?

- Cavin believes that both generations will be faced with the same challenges as they continue to age. He believes that your career is going to peak later than you planned because once the baby boomers begin to retire, the work load for these generations will rise. He also believes that the life span must increase to allow for the increase in work load to be taken on. He also believes that a large challenge will be the increase and constant changing technology. Technology has always been a challenge for generations because it is hard to keep up with it. It is always changing whether it be new software or the increasing idea of artificial intelligence.

Interviewing Cavin was an incredible experience that I am thankful I had the opportunity to do it. I learned things that I had never heard of before as well as reaffirmed my thoughts on many notions that I already had.

Sim Colebank Mosby

Intern Interview Case

April 20, 2020

Intern Interview Case

During this case I was able to interview an intern coming off of an internship in Memphis, Tennessee. I was paired with Jamie Payne who interned with RBG Memphis in the tax practice. During this case I was able to discuss what her daily work schedule entailed, what software she had to use, what she planned to do in the future and what types of tips she had for an upcoming intern. Throughout this case I was able to obtain imperative information on how to be successful during my internship and what to improve on before I attend an internship. Although, I had to do this interview by phone, I felt I was able to get to know Jamie and obtain information that I would not be able to get otherwise. Prior to this conversation, I was nervous and scared about an internship because I did not feel as if I knew what to do or what an accounting firm expected me to know upon arrival. The conversation with Jamie ensured me that I was ready for an internship and ready to undergo any task that was thrown my way. Jamie explained that accounting firms that hire you as intern expect you to know absolutely nothing and that this is a learning experience. They want you take a task and ask questions and learn from the experience instead of trying to figure it out on your own. Regardless of where you obtained an education, they wanted you to learn from a specific scenario so you could build your knowledge and become the accountant that you are destined to be.

During Jamie's time as an intern, she was able to encounter a daily life of an accountant as well to participate in essential duties that an accountant performed. As her time as an intern, she worked a 40-hour work week but she was able to obtain those 40 hours at what time she chose to complete them. Granted, as an intern she was put on restrictions as to when she could work because she needed to work while a superior was working to ask questions. Throughout her internship, she was trained on the software

ProFX which was the tax software that RBG used to perform tax returns. Upon training, work was very slow to come by because clients were not getting the information in to RBG to prepare the tax returns. But in the latter half of the internship, work began to get heavier where she was thrown into her first tax return that she had ever done for a client. Luckily for her, RBG was very open to questions allowing her to learn information and prepare the tax return correctly. Payne also had access to a person “on call”, which was a professional designated that week to help interns that had questions regarding specific jobs. Throughout the internship, Payne had great success due to her ability to ask questions which ultimately led her to get the task at hand finished correctly and precisely.

Following her internship, Payne went back to her home in Batesville, MS due to COVID-19 to finish and obtain her bachelor’s degree in accountancy. She is currently enrolled in three classes that she is completing all online. The classes consist of Writing 440, Government and Business Law. Upon graduation, she is going to participate in the Masters of Tax in Data Analytics and hopefully obtain a full-time job with RBG. Payne had only positive thoughts and comments regarding her internship making her want to go back and work full-time. She also explained that she will not be granted a full-time position until all of the interns have completed their stay. Unlike the University of Mississippi, the University of Memphis does not have a trimester therefore the interns from Memphis stay until the end of tax season. Payne was relieved to end her internship on a good note with RBG and was extremely grateful for the opportunity she was given.

Before our conversation was over, I asked Payne if there were any tips that she could give out to help an upcoming intern. She stated that these accounting firms do not

expect you to know anything upon arrival. They believe that they brought you into this environment to learn and that an internship is a great place to see one's true character when they are put into a difficult task. They also do not want you to figure it out all by yourself, they have people that have done thousands of these specific assignments that have the information and knowledge to do it correctly and efficiently. She also said that you should go into an internship with a positive attitude and a mindset to do the best you can do at every aspect of the job. No matter what you are doing your goal should always be do the best that you possibly can do. But at the same time, there is no need to be perfect because you are there to learn how to be successful in your career. Following our interview, I only have high regards with Jamie Payne and have no doubt that she will be successful in her career. She has blessed me with information that some will never be able to obtain and that will help me as I begin my career next year.

Sim Colebank Mosby

April 27, 2020

Financial Crisis Case

Financial Crisis Case

This case has allowed me to dig deeper and read into topics that are highly talked about in everybody's daily life. Finances are one of the most common and important conversation pieces that influence people's day to day decision making. I never realized how large and how much influence large corporations and banks have on the economy. I always knew Wall Street was a place that influenced the economy the most with the stock market and pushing money around for the majority of Americans. By watching Inside Job, it allowed me to understand flaws with large corporations and how they have participated in fraud and influenced the government in many different ways. These large businesses lobbied and ultimately created laws/ reforms that enhanced big business. Most of the time when a new president or political leader takes over power they have the ability to appoint people into positions they feel as if they would succeed in. When it comes time to appoint a new position, many of the political leaders look towards the top banks and businesses executives. They believe that if the executives can operate a business of that magnitude to that level that they can help enhance the government and help in stopping the power of big business. Although these new government employees are there to help the government, they still have their heart and mind to help enhance the business they just left. Granted they have to switch gears to government but in the back of their mind is always to help the business they just left instead of hurt it. After evaluating all materials that I was given, it has occurred to me that there is far more that affects the economy and what influences decisions of high-ranking government employees.

Through reading this material I feel as if I will participate and watch how the government and stock market act to recent changes, laws and reforms. Watching the YouTube video on Crony Capitalism, shows how everything works and how it violates the way capitalism actually works. Capitalism is a moral concept by two parties exchanging some thing for their own good. Crony Capitalism is immoral because they have been bought off by individuals or corporations to sway something in their favor. By participating in Crony Capitalism, politicians favor the people who bought them off instead of putting the best interest of the citizens of America first. This same topic applies to the financial industries because even though their motto is to serve their clients as best as the can they consistently do things that will only enhance them in the future. For instance, these large banks would sell CDOs and mortgages to individuals and other firms to essentially “bet” on to succeed or fail. Majority of these CDOs and mortgages would have the highest rating possible which is AAA when in reality they could deserve the lowest rating. Many of these securities received the AAA because the people who rate securities would receive a bonus regarding how many AAA’s they would give out. Although I am unsure, it almost sounds as if the people rating these securities are being bought off by these large banks participating in Crony Capitalism. With everybody starting to catch on to the large corporations and how they have the power to influence the government hopefully there will be laws and regulations restricting big business. With all this knowledge it will also allow people to start being smart with their money and investments. People will be able to look further into what somebody trying to sell them and doing their own research regarding the item at hand. Because a large company is trying to sell you something that has the highest ranking possible still does not mean

that is for your benefit. By knowing all of this information, the future is full of possibilities both positive and negative. It allows for people to invest smarter but it also allows for big business to find loopholes through restraints that are put against them.

Through going through these materials, I believe that I have a general understanding as to where I place in society and understand as to what I want to do in my professional career. I believe that this case has allowed me to see how large corporations are dishonest with their clients. By this, I mean that the professionals put their agenda and ideologies before the clients and attempt to sell them a security that would not benefit them in the long haul. By selling them a bad stock or CDO, the company reaps all of the benefits while the clients lose all of their money once the investment goes obsolete. By realizing how corrupt the government and big banks can be, it makes me strive to be an honest professional that puts my client's money and time before mine. I believe that if I make money for a client they will suggest me to their friends/ family and that is how to honestly build a client portfolio. Personally, this case has allowed me to see how large corporations and the government use money to from clients and taxpayers to benefit themselves. Personally, this has enlightened me because I never thought of the government and banks in the manner before. It makes me want to be smarter with my money and do my research with who I entrust my money with and what I buy with my money.

With COVID-19 being very prominent throughout society and the economy, there are a plethora of opportunities for a big business to sell something to a desperate client. For instance, when the stock market was down below twenty thousand for the first time in years, many stocks were going for pennies on the dollar creating an opportunity for

somebody to be sold on something that will become obsolete when the market begins to arise. When stocks are low like they are it is a prime time for these companies to be bought out by other companies whose cash flow is steadily flowing. Based on previous financial history, anything and everything will be done in order to boost the economy. The economy makes the country go around like it is supposed to because many people's finances are tied up within the economy. When the economy is down so are people's finances therefore everybody takes a hit. Essential businesses are still performing their daily duties and going about their daily routine yet, people are unable to pay them because their money is tied up in the stock market. During 2008 the Dow Jones averaged 14,000 then in the next eighteen months it dropped to six thousand causing everybody who had money tied up in the stock market to lose it. In this recent crisis the Dow Jones Industrial Average was up to 29,000 and recently fell to 19,000 which is 2,000 more than the 2008 crisis. Due to the previous strength of the stock market and preparations the government made from the 2008 fall, this fall of 10,000 points was not as catastrophic. Although many people lost hundreds of thousands of dollars, the precautions that were taken has allowed the market to slowly begin rising back to its previous statue. Throughout this case I was able to see a different perspective on how the government and big business interact with each other and how they are corrupt in their own way. Although they are corrupt, they are the lively hood in which we surround ourselves and money with. There is always room for improvement whether it be strategies and plans to keep the economy afloat in a crisis like this or just rules or laws to regulate the influence big banks have on the government. This case was very informative about a topic that I knew about but not in depth as I thought.

“On my honor, I pledge I have neither given, received, nor witnessed any unauthorized help on this case study.”

Signature: 