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A COMPREHENSIVE ANALYSIS OF ACCOUNTING PRINCIPLES THROUGH
CASE STUDIES

by

Meredith Ann McDonald

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

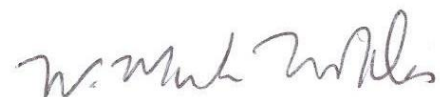
Oxford

April 2020

Approved by



Advisor: Dr. Victoria Dickinson



Reader: Dean W. Mark Wilder

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ABSTRACT

MEREDITH MCDONALD: A Comprehensive Analysis of Accounting Principles through Case Studies

(Under the direction of Victoria Dickinson)

The following thesis consists of eleven accounting case studies that were presented as the curriculum followed in the Accounting 420 class. Each case covers a different topic that in some way demonstrates the purpose and place of accounting theory in the current industry. This thesis exercised deep analysis of each accounting principle and therefore demonstrates a well-rounded understanding of topics covered. Each case study was completed under the direction of Dr. Victoria Dickinson in fulfillment of the requirements for The University of Mississippi, Sally McDonnell Barksdale Honors College, and the Patterson School of Accountancy ACCY 420 course in the 2019-2020 academic year.

ACKNOWLEDGEMENTS

First, thank you to my parents and siblings who have been by my side and pushed me to be my very best in all aspects of life. The support shown to me by my family and friends throughout my academic endeavors have meant the world to me. To the Sally McDonnell Barksdale Honors College, thank you for expanding my horizons through both the rigorous course material required and the fellow students I met during my tenure at the University. Lastly, thank you to the Patterson School of Accountancy, Lott Leadership Institute and all my professors for guiding me throughout these past four years.

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CASE 1: Two Cities

An Analysis of Life and Industry in Two Cities

Prepared By: Meredith McDonald on September 25, 2019

Executive Summary

The purpose of this case was to analyze two cities in which I could see myself beginning my career. In the case, we looked at factors such as weather, industry, crime rates, tax burdens and leisure activities in order to ascertain a more well-rounded outlook on the particulars of each location. This case in particular helped me learn more about these two cities and it gave me a better understanding of what type of lifestyle I might be able to afford at the beginning of my career in each city.

The two cities that I chose to research for this case were Washington, D.C. and Dallas, Texas. Growing up, I spent time in both cities and grew fond of them for different reasons. Being a Public Policy Leadership double major, Washington, D.C. has always been of great interest to me as a potential city to begin my career because of the clients, prevalent industries and the city's culture. Dallas, the other city I chose to research, is of interest to me because of the career opportunities in the area, the social environment for young professionals and family that I have in the area. Although each city is far away from my hometown of Hattiesburg, Mississippi, both cities were of great interest to me before the case and continue to be even after the completion of this case.

When beginning this case, I was hesitant to research the various items enumerated in the directions of this case because I was scared that it could turn me away from my dream of living in DC, but it actually made me more excited to move there. I knew that DC lifestyle would be different from that of Dallas, but what I found was that any major differences were exciting to me and made me look forward to the new experiences I could potentially have in this even more.

Washington, DC and Dallas, Texas

1. Population

Washington, DC: 702,000, DC Metro Area: 6 million

Dallas: 1.34 million, Dallas/Fort Worth Metro Area: 7.23 million

2. Climate

Washington, DC: Washington, DC has a humid subtropical climate with hot summers and cold winters. The city's proximity to the east coast significantly influences the weather. Summers are hot with peak temperatures reaching an average high of 88.4°F and winters are cold with snowfall being common and average low temperatures reaching 28.6°F.¹

Dallas: The Dallas/Fort Worth Metroplex is approximately 250 miles north of the Gulf of Mexico. The climate in the area is humid subtropical with hot summers and mild winters. Periods of extremely cold weather are short, and springtime is characterized by frequent rainfall. Summer temperatures frequently reach over 100°F during the day, and the average warm season in the area is 249 days and typically the last freeze occurs in mid-March.²

3. City typography/scenery/geography

Washington, DC: DC is approximately 68 square miles total and is surrounded by Virginia and Maryland. The major river flowing through the city is the Potomac. The city has the 2nd highest percentage of parkland with it being

¹ <https://www.weather-us.com/en/district-of-columbia-usa/washington-climate>

² <https://www.weather.gov/fwd/dnarrative>

approximately 19.4 percent. Throughout the city, one can see beautiful river-front scenery, over 3,000 cherry trees, museums, sights of historical significance and various architectural wonders.³

See appendix 1 for a picture of the DC skyline and Potomac River

Dallas: Dallas is approximately 385 square miles and makes up one-fifth of the much larger urbanized area known as the Dallas/Fort Worth Metroplex, in which one-quarter of all Texans live. The city itself sits on the Trinity River and is surrounded by land that is mostly flat. In the early 2000s, the Trinity River Project began, which was a public works project aimed at creating recreational opportunities along the path of the river. Today, the outcomes of this project make up the majority of Dallas' scenery.⁴

See appendix 2 for a picture of the Dallas skyline and Trinity River

4. Individual tax rates

Washington, DC: Residents of DC typically pay federal income tax, fuel tax, property tax, and sales tax. All of these categories for someone making \$55,000 and filing as single would amount to an average of \$14,433.⁵

See appendix 3 for a breakdown of tax rates

Dallas: Texas is one of nine states in the U.S. that has no state income tax. Texans typically pay federal income tax, fuel tax, property tax, and sales tax. All

³ https://www.newworldencyclopedia.org/entry/Washington,_D.C.

⁴ https://www.newworldencyclopedia.org/entry/Dallas,_Texas

⁵ <https://smartasset.com/taxes/district-of-columbia-tax-calculator>

of these categories for someone making \$55,000 and filing as single would amount to an average of \$115759.⁶

See appendix 4 for a breakdown of tax rates

5. Transportation Hubs

Washington, DC: The DC area has 3 major airports, Ronald Reagan International, Baltimore/Washington International, and Dulles International Airport. These three airports are known as busy hubs of transportation to cities around the globe. In addition to air transport, DC has one of the best metro systems in the United States. This public transportation service, along with its coordinated bus system, makes maneuvering the busy metro area simple. Traffic in the city tends to be bad, so many young professionals rely on public transportation.

Dallas: The area has two major airports, Dallas Love Field and Dallas Fort Worth International Airport. DFW is one of the largest cargo airports in the U.S. and has consistently remained one of the top ten busiest gateway airports in the country. In addition to air transport, Dallas has an active public transportation system known as DART. Young professionals in the city typically own cars.

6. Prevalent Industries/Companies

⁶ <https://smartasset.com/taxes/texas-tax-calculator#aktytRfBfN>

Washington, DC: Prevalent industry in the DC metro area includes Federal Government, Education and Tourism.⁷ The largest companies in the area are Fannie Mae, Freddie Mac, Lockheed Martin Corp., General Dynamics Corp.⁸

Dallas: Prevalent industry in the Dallas/Fortworth area includes technology, financial services, defense, oil, manufacturing and aviation. The largest company in Dallas is Exxonmobil, followed by McKesson Corporation, AT&T Inc., Energy Transfer LP, and American Airlines Group Inc.⁹

7. Healthcare and education

Washington, DC: This city has 16 medical centers and hospitals, most notably the National Institutes of Health in Bethesda, Maryland. Many of the hospitals and medical facilities in the area are award winning. The DC public school system is ranked as one of the poorest in the United States. Many professionals that can afford it send their children to private school or live in the DC suburbs where the school systems are better. If I was to live in DC, I would most likely send my children to private school or move to a suburb with a suitable school system.

Dallas: This city is known for its nationally renowned healthcare resources and medical facilities. Parkland Memorial Hospital and Baylor University Medical Center are both nationally recognized hospitals and the University of

⁷ <https://www.forbes.com/places/dc/washington/>

⁸ <https://www.bizjournals.com/washington/subscriber-only/2019/06/21/largest-public-companies-in-greater-dc.html>

⁹ <https://www.dallasnews.com/business/2019/05/30/the-2019-list-of-dallas-fort-worth-s-150-largest-public-companies/>

Texas-Southwestern Medical Center is a highly respected medical healthcare system as well. Dallas, being so large, has many different school districts, some of them are underprivileged, but others are renowned as some of the best public school districts in the country (for example, highland park). If I was to live in Dallas, I would most likely send my children to public school.

8. Crime

Washington, DC: The violent crime rate in DC is 56.2 percent and the property crime rate is 63.9 percent. These statistics are over twenty percentage points above the national average.¹⁰

Dallas: The violent crime rate in Dallas is 37 percent and the property crime rate is 50.7 percent. These statistics are over ten percentage points above the national average.¹¹

9. Rent

Washington, DC: I expect that I will pay around \$1000 per month for rent. For the first few years of my career, I expect that I will live with at least one roommate. I found an apartment in Trinidad that would cost about \$800 per month before utilities are taken into consideration. It is very small, only 800 square feet, but it would work fine. The neighborhood has cute shops and restaurants, so it would be a good place to live as a young professional.

See appendix 5 for pictures of the apartment

¹⁰ https://www.bestplaces.net/crime/city/district_of_columbia/washington

¹¹ <https://www.bestplaces.net/crime/city/texas/dallas>

Dallas: I expect that I will pay around \$900 per month for rent. For the first few years of my career, I expect that I will live with at least one roommate. I found an apartment in Uptown Dallas, near many of the major firm's offices that has 2 bedrooms and 2 bathrooms. The rent is \$800 per bedroom per month before utilities and it is 1,084 square feet. Within the apartment complex there is a fitness center, parking lot, rooftop deck, and swimming pool.

See appendix 6 for a pictures of the apartment

10. Commuting

Washington, DC: My most likely method of commute would be by metro, and according to Zillow, a metro commute from Trinidad to the downtown area (where the big 4 offices are) would take approximately 34 minutes at rush hour.

Dallas: My most likely method of commute would be by personal vehicle, and according to Zillow, a car commute from this apartment to the area where most Big 4 offices are located would take about 15 minutes during rush hour. Downtown Dallas is approximately 0.9 miles from my proposed apartment building.

11. Grocery Shopping

Washington, DC: There are two compact supermarkets within 10 blocks of my proposed apartment, so I would probably buy staple products there and shop at Whole Foods or Trader Joe's once or twice a week. Both of which are located less than 3 miles from my apartment.

Dallas: There is a Trader Joe's and Whole Foods less than 3 miles from my proposed house, so I believe that I would do most of my grocery shopping there.

12. Laundry

Washington, DC: The apartment I want to rent has a washer and dryer pre-installed. I actually really enjoy doing my own laundry, so I would probably do it late at night or on the weekends.

Dallas: The house I want to rent has a washer and dryer pre-installed. I actually really enjoy doing my own laundry, so I would probably do it late at night or on the weekends.

13. Organizations

Washington, DC: Passion City Church, SOME (So Others May Eat) Volunteer, the District of Columbia Alumnae Chapter of Kappa Delta

Dallas: Gateway Church, the Boys and Girls Club of Dallas, the Dallas Kappa Delta Alumni Chapter

14. Entertainment

Washington, DC: While living in DC, I would most likely attend Nationals Baseball games and go to concerts by major artists that I like. Additionally, I would love to join a tennis club and improve my tennis skills.

Dallas: While living in Dallas, I would be most likely to attend sporting events such as professional football and basketball games and music concerts that major artists perform in the city. Additionally, I would most likely join a kickball league in the city in order to meet new people and make friends.

15. Modes of travel

Washington, DC: My hometown is approximately 14 hours from DC. I would most likely fly into Gulfport Airport or New Orleans Airport and be picked up by my family. The price of a roundtrip ticket \$400.

Dallas: My hometown is approximately 7.5 hours from Dallas. I would most likely drive the distance to my hometown to visit with family. The price of gas for that trip in my current vehicle would be approximately \$90 round trip if gas prices remained at \$2.30 per gallon.

16. Operating Budget:

Expense	Washington, DC ¹²	Dallas, TX ¹³
Rent + Utility Expenses	800 + 200	800 + 200
Food	700	700
Transportation	100	80
Clothing/Misc Exp	500	500
Savings	700	700
Extra Spending money	591	692
Tithe/Giving	400	420
Monthly Income (based on post-income tax pay + \$5,000 yearly bonus)	3991	4192

17. Preferred City

Based on my full analysis of each of these cities, my preferred city is still Washington, DC. I am excited at the prospect of living in a city of this size with this specific climate, geography, entertainment and atmosphere. DC is still in the south, but it has 4 distinct seasons, unlike Mississippi. I absolutely love the layout of the city and its beautiful views as well as all that there is to do in the city. As I mentioned before, my interests include working on clients such as government contractors or federal agencies, and DC has exactly what I want. The lifestyle of a young professional living in DC is different than the city where I grew up, but it is what I want. I do not mind having a 30 minute commute in the morning and not

¹² <https://smartasset.com/mortgage/the-true-cost-of-living-in-washington-dc>

¹³ <https://smartasset.com/mortgage/the-true-cost-of-living-in-dallas>

using a car as frequently as a Texan would. I must admit that I did expect living in DC to be more expensive than my analysis showed, and it is more expensive than Dallas, but the cost of living in the city is not enough to sway me away from my original dream of living there.

Case 1: Appendix

1. DC Skyline,

Source: <https://washington.org/visit-dc/where-to-get-the-best-views-in-washington-dc>



2. Dallas Skyline,

Source: <https://smartasset.com/taxes/texas-tax-calculator#aktytRfBfN>



3. Washington, DC, tax rate breakdown

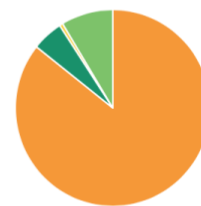
Source: <https://smartasset.com/taxes/district-of-columbia-tax-calculator>

Total Estimated 2018 Tax Burden

Income Tax	\$12,090
Sales Tax	\$864
Fuel Tax	\$91
Property Tax	\$1,389
Total Estimated Tax Burden	\$14,433

Percent of income to taxes = 29%

\$14,433



4. Dallas, TX, tax rate breakdown

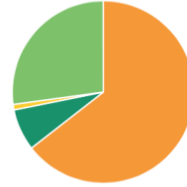
Source: <https://smartasset.com/taxes/texas-tax-calculator#m2VI7stZ6m>

Total Estimated 2018 Tax Burden

Income Tax	\$9,607
Sales Tax	\$1,311
Fuel Tax	\$167
Property Tax	\$4,675
Total Estimated Tax Burden	\$15,759

Percent of income to taxes = 31%

\$15,759



5. Rental apartment in Washington, DC

Source: https://www.zillow.com/homedetails/1245-Raum-St-NE-APT-1-Washington-DC-20002/2082683025_zpid/



6. Rental apartment in Dallas, Texas

Source: <https://www.zillow.com/b/post-heights-dallas-tx-5XkPcr/>



CASE 2: Excel Certification

An Exercise in Microsoft Excel

Prepared By: Meredith McDonald on September 27, 2019

Abstract

The purpose of this case was to be exposed to and learn more about both basic and advanced functions in Microsoft Excel. In order to fulfill the requirements of this case, I completed an online course that went through the important aspects of Excel as well as passed a final assessment. This case was important to my training as a future accountant because each firm utilizes excel in both basic and advanced aspects quite often. This case and the knowledge obtained through its completion will make me a more marketable candidate for employment and help me hit the ground running at firm as an intern or associate.



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

Meredith McDonald

*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
13821967*

Tim Vipond
Chair of the Board

Scott Powell
Director

Lyn Dutton
Director

Sep 27, 2019

CASE 3: Brexit

Analysis of the Cause, Current Condition, and Outlook on the British Exit of the
European Union

Prepared By: Meredith McDonald on October 9, 2019

Executive Summary

Prior to last Wednesday, I thought I knew a fair amount about Brexit. I had listened to podcasts and kept up with it in the news, but the video we watched in class was eye opening. I do not think I fully comprehended the impact that the EU had on each and every part of the United Kingdom as well as other countries in Europe. Like many of the people interviewed in the video, I was oblivious as to who the EU leaders were exactly and I just assumed that each country had more power than they do, but after doing this research, I feel that I have learned a great deal. This case, which required me to research and learn more about Brexit, will be of use in the future because as policy changes occur around the world, the work of accountants and businesses also changes. If Brexit happens as scheduled on October 31st, trade relations for each country will change with the United Kingdom and because of their longstanding membership in the EU, the UK will, in many ways, be starting from the beginning in regards to areas such as trade and tax policy. In this case, I outlined a series of events that have led us to this point in relation to Brexit, I give a short synopsis of the viewpoint portrayed in the documentary, I explain a few of the viewpoints different from those in the video, and I conclude by explaining what is scheduled to occur on October 31st. Through this case, I have learned a lot and seen both pros and cons to Brexit, and although I see the issues that will arise if the UK goes through with Brexit, I still think that they should leave the European Union. There will be many upfront costs involved, but in a world where globalization is ever growing, I think that it will benefit the UK more to make their own trade deals and decisions with other nations instead of being under the jurisdiction of a larger entity.

A look into Great Britain's exit from the European Union (BREXIT)

Timeline of Brexit events

On June 23, 2016, the United Kingdom held a referendum on its membership of the European Union, and of the 30 million citizens who voted, 52 percent voted to leave the EU¹⁴. Almost one year later, PM Theresa May wrote to the President of the EU to notify him of the UK's intention to leave the European Union. This letter triggered Article 50 and commenced the formal, two-year long process of Brexit, which was due to happen on March 29, 2019. However, in early March, the UK sought permission from the EU to extend article 50 through June 31, 2019, because the Government struggled to come to an agreement on how the UK will leave the EU. In early April, the Brexit date was extended again until October 31, 2019, where it currently stands¹⁵. On May 24th, PM Theresa May resigned as leader of the Conservative party, having failed to bring her Brexit plans to fruition, and in July, Boris Johnson, former mayor of London, was elected as her replacement. Johnson has vowed to see Brexit through on October 31st as planned.

Synopsis of the Video's viewpoint

In the video that we watched as a class, documentarians made their views of the European Union very clear. Various interviewees explained that the EU has 7 main institutions that governs 28 European countries, but that the citizens of these governed countries are not aware of who the EU leaders are and what they legislate. The video explained in great detail that the EU's governing not only lacks a democratic process but is inherently "anti-democratic" because the only leaders with true power are appointed, and the elected EU parliament has no power to create new law or change current law. EU

¹⁴ https://www.bbc.com/news/politics/eu_referendum/results

¹⁵ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7960>

leaders were characterized as elitists who live lives of luxury and are completely out of touch with the needs of the people whom they govern.

In addition to characterizing the EU as anti-democratic and elitist, the documentary frequently stressed how powerful the referendum vote was and how much the UK had to gain by leaving the EU and lose by staying in the EU. The documentary explained the detrimental effects that the EU had on fishermen who had lost significant business due to EU law. Thus, making the point that the UK had lost power through joining the EU, not gained it.

In interviews with Members of Parliament, the viewpoint that the UK had no freedom as part of the EU was stressed and it was thoroughly explained that the UK's economy was suffering greatly for it as its membership because the EU makes starting new businesses hard, creates trade barriers and adds tax to the cost of goods. Admittedly, these barriers and taxes are meant to make it easier for European manufacturers and businesses to thrive, but instead of helping, the video claims that are costing citizens of the United Kingdom more money and leaving all of Europe with a "stagnant and impoverished economy."

The video takes a clear stance on Brexit, conveying that from a business standpoint, it will be of great benefit to the UK to leave the European Union and create its own trade deals. In each interview, case study, and explanation, the video highlights how leaving the European Union will be good for the UK. As with all politically charged issues, this documentary's viewpoint is but one side of a story that continues to unfold, but the video clearly expresses that either way, the happenings surrounding the Brexit deal will determine the future of the UK for generations to come.

Synopsis of other viewpoints

Although the majority of UK citizens voted to leave the European Union, there still remains the opinion of the 48 percent of people who voted to continue to be part of the EU. Many of the issues brought up by the video are valid, but those who opposed Brexit have made valid arguments for staying in the EU because of issues pertaining to financial stability, trade relations, and immigration.

One point that many Brexit opposers make is that the British Economy would take a major hit. Officials and researchers from the UK treasury department as well as the Institute of Fiscal Studies estimate that leaving the EU would increase borrowing for United Kingdom by between 20 and 40 billion euros. In more recent reports, leaders have weighed borrowing with tax increases for UK citizens, both of which would have significant impacts on the economy. Researchers have recognized that leaving the EU would cause a yearly gain of 8 billion euros for the UK, but many consider the borrowing or taxing cost to be more significant.¹⁶

In addition to the financial situation that would occur with the conclusion of Brexit, opposers also point out that the leave campaign cannot guarantee how Britain would manage the severing of ties with the EU. The trade deals that the UK has had within the EU's boundaries have been long standing and leaving the European Union would cause all of these to come into question, which could cause economic turmoil or even trade wars. As opposition to Brexit has pointed out, many of the countries that Britain currently trades with are in the EU, and if they leave, it will become more

¹⁶ <https://www.businessinsider.com/eu-referendum-george-osborne-raise-taxes-cut-spending-out-vote-leave-brexit-2016-6?r=UK>

expensive to ship British goods to those countries and bring those countries' goods into the UK.¹⁷

Immigration is another issue with leaving the European Union that opposers to Brexit commonly bring up. One of the biggest industries in the UK is service and many non-UK citizens are the ones that work low-wage service jobs. The National Institute for Economic and Social Research warned that if the UK was to leave the EU, it could significantly damage the UK's economy because it may deter their main source of workers from entering the country.¹⁸

October 31st

On October 31st, the United Kingdom is scheduled to officially exit the European Union, ending a governing partnership between the UK and other European countries that has been ongoing for over 45 years. Boris Johnson, Britain's Prime Minister, vowed upon taking office that he would see that Brexit goes through even if the UK does not have an economic plan. To date, an economic plan has not been agreed upon and confidence in a decision to leave without steadfast plans in place is becoming more unstable. As the world watches, the United Kingdom has a big decision to make in the 22 days to come.

¹⁷ <https://www.businessinsider.com/eu-referendum-reasons-for-voting-against-a-brexite-and-staying-in-eu-2016-6>

¹⁸ <https://www.businessinsider.com/niesr-eu-referendum-research-brexite-and-immigration-effects-on-uk-economy-2016-4?r=UK>

CASE 4: Tyson Foods

An Analysis of the form 10K produced by the Public Company Tyson Foods

Prepared By: Meredith McDonald on October 30, 2019

Executive Summary

In this case study, I analyzed Tyson Foods 2018 10k to answer the questions laid out in the pages that follow. Throughout the process of analyzing Tyson Foods' financial information, I learned a lot about the company in areas such as their partnerships with independent farmers, their main sources of revenue, and how they classify various balance sheet items. Before starting this case, I knew that Tyson Foods was a major player in the food production industry, but this case taught me how far the company's reach truly was. I learned that they not only specialize in chicken, but pork and beef as well. Additionally, I learned ways in which the current market is hurting food companies such as Tyson. Tyson Foods is headquartered in Arkansas, but they operate their business on an international scale, generating over \$40 billion in revenue in 2018. Before analyzing Tyson Foods 10k, I had only heard of this particular financial document in theory. Professors and professionals mentioned them every once in a while, to me, but I never really paid much attention. When Dr. D gave us this case, I was nervous that I would not be able to find the information I was looking for, but I was pleasantly surprised that with just a basic knowledge of accounting terminology, I could understand most things discussed within the document. I realized through this exercise that most of the things that were laid out in the 10k were things that I knew about such as a balance sheet, cash flow statement, etc. I am glad to have had this early introduction to the 10k of a real company because I believe it will be very useful to me next year when I go on my internship. Hopefully, having had this exposure to the document leaves me more prepared to complete my job requirements with excellence.

Tyson Foods 10K Analysis

- I. What is the nature of the company's business? Based on what you read in the company's annual report, how do they generate profit? Where is it headquartered?
 - A. According to Tyson's 10K, the company is an innovator in the food industry whose main source of profit is protein – namely, chicken, beef and pork. The company is headquartered in Springdale, Arkansas.

- II. Who are your company's auditors? Name the firm and city.
 - A. Tyson Foods is Audited by PWC in Fayetteville, Arkansas

- III. Describe each asset on your company's balance sheet. Determine any relevant accounting policies related to these accounts. Do the same for liabilities and equity.
 - A. Assets:
 1. Current Assets:
 - a) Cash and cash equivalents: defined as cash or highly liquid assets that are readily convertible or close to maturity
 - (1) In the footnotes of their 10k, Tyson Foods outlined that the carrying value determines fair value, in relation to cash and cash equivalents. (Note 1)

b) Accounts Receivable (A/R): is money owed to the company by its debtors

(1) Tyson Foods states within its 10k that A/R is recorded at net realizable value, meaning that it is accounted for after the allowance for doubtful accounts has been subtracted. The company calculates “this allowance based on our history of write-offs, level of past due accounts and relationships with and economic status of our customers.” (Note 1)

c) Inventory: is items that the company has on hand in order to sell.

(1) Tyson Foods outlined that in the 2017 and 2018 fiscal years, 63% of the cost of inventories was determined by the first-in, first-out ("FIFO") method, and the remaining cost of inventories for both years was determined by the weighted-average method.

d) Other current assets: is made up of assets that may not fit into these other categories. For Tyson foods, other current assets consist of available for sale securities.

e) Assets held for sale: long-lived assets that the company has a plan to dispose of.

(1) In relation to this particular current asset,

Tyson Foods outlined that they “compare the carrying value of the disposal group to fair value.”

2. Net Plant, Property and Equipment: is all land, property and equipment that is used to make products.

a) For Tyson specifically, the company states all items at cost and generally depreciates on a straight-line method over the estimated lives. Additionally, the fair value of an asset is generally measured using discounted cash flows.

3. Goodwill: is the amount above the net realizable value of the company that someone might be willing to pay because of its good reputation/name/etc. It represents the value expected through the implementation of operational synergies and growth opportunities.

a) For this item, Tyson Foods outlined that they increased their discount rate from 6.7 to 6.9 percent from 2017 to 2018. Additionally, they state that the fair value of identifiable intangible assets primarily consisted of customer relationships with a weighted average life of 25 years.

4. Net Intangible Assets: consists of assets that lack physical substance.
 - a) Tyson initially records intangible assets at fair value with straight line depreciation over 20 yrs or less. They state that amortization expense is recognized in selling & general admin expenses and that the fair value exceeded the carrying value.
5. Other Assets: involves other non-current assets that do not fit into any of the preceding categories. For Tyson Foods, this consists mainly of investments.
 - a) Tyson's 10k explained that the company will generally use the cost method of accounting when voting interests are less than 20 percent and use the equity method when in excess of 20 percent. Additionally, they state that all investments are reported at fair value based on quoted market prices as of the balance sheet date, with unrealized gains and losses, net of tax, recorded in other comprehensive income.

B. Liabilities:

1. Current liabilities: for Tyson Foods consists of current debt, accounts payable (the amount owed to creditors), other

current liabilities (which consists of salaries and wages payable), and liabilities held for sale.

2. Long term liabilities: for Tyson Foods consists of long term debt, deferred income taxes, and other liabilities (which consists of commitments to leases on equipment and property).

C. Equity:

1. Common stock: which is a security that represents ownership in a corporation
2. Capital in excess of par: which is the amount paid by investors for ownership in the company
3. Retained earnings: are the profits that a company has earned to date
4. Accumulated other comprehensive gain/loss: consists of monies that are gained or lost in ways that fall outside the typical realm of business.
5. Treasury stock: is also known as reacquired stock that the company has bought back from investors

- IV. Describe your company's customer base – who are they and how do they use your company's products or services. Describe your company's specific sources of revenue and their revenue recognition policies. How much revenue comes from outside the US?

A. Tyson Foods customers generally consist of consumers in supermarkets, grocery stores and other food markets around the world buying proteins such as chicken, beef and pork. Tyson foods products are used as an ingredient in other dishes or as stand-alone meals and consumed by people of all ages. According to the 10k, revenue recognition is mainly through consumer product retail, food service, and international industrial or other distribution channels. Tyson states that they “recognize revenue when title and risk of loss are transferred to customers, which is generally on delivery based on terms of sale. Revenue is recognized as the net amount estimated to be received after deducting estimated amounts for discounts, trade allowances and product returns.” (pg. 52) The 10k states that 12.22 percent of sales revenue comes from outside the US.

V. Describe your company’s suppliers – who are they and what products or services do they provide to your company? What types of costs are included in your company’s COGS?

A. On their website, Tyson foods states that they “work with a wide range of suppliers and partners committed to assuring that our customers are operating in responsible and sustainable ways. [They] also work diligently to support our diverse supplier owners and have significantly increased our spending with minority-owned businesses.” The company prides itself on its partnership with independent farmers, claiming that they partner with over 3,700

independent chicken farmers, nearly 4,000 independent cattle ranchers, and up to 2,000 pig farmers to provide quality foods to its customers. According to the company's 10k domestically raising chickens is a major cost, and with this, costs of goods sold (COGS) for the product would include procurement, curing, packaging, and marketing. The cost of sales for Tyson foods in 2017 was \$35 million.

VI. Describe each category of other operating expenses on the income statement – how do these expenses help generate revenue?

A. Expenses included within the 10k were selling, general and administrative expenses and interest expense. Selling, general and administrative expenses help Tyson foods generate revenue by allowing them to better market their products for sales to customers. Interest expense includes cash interest and non-cash interest, each of which can be expense components that allow the business to develop better processes or technology in order to produce better foods.

VII. How have revenues and expenses changed over the past three years? Can you find any articles in the business press to support what you're seeing in the financial statements?

A. From 2016-2018, sales revenue and expenses have gone up. In 2016, sales were at \$36,881,000,000 and in 2018, that number rose to about \$40,052,000,000. Expenses wise, Tyson's 10k shows in its summary of operations that net interest expense has risen by almost

one-hundred million dollars. Tyson, according to news sources, can be added to the list of American companies struggling with cost pressures. In a Financial Times article from May of 2018, the authors state that “Tyson, like other meat producers, has been reaping the benefits of cheap feed and fuel prices, as well as strong demand for meat both in the US and overseas. However, the recent rally in grain prices is once again pushing up feed prices, while a strengthening US economy and higher oil prices are driving up long-distance trucking and railroad freight rates.”¹⁹

VIII. Compare your company’s net income to their cash flows from operations.

What accounts for the difference?

A. From 2016-2018, net income for Tyson foods has risen \$1,255,000,000 while their net increase in cash flows has only risen by \$247,000,000. Of their 2018 net income, which was \$3,027,000,000, a total of \$2,963,000,000 was presented as net cash provided. The remainder of the sum was attributed to non-cash items such as depreciation, deferred income taxes, gain on dispositions of businesses, impairment of assets, and stock-based compensation expense.

¹⁹ <https://advance-lexis-com.umiss.idm.oclc.org/api/document?collection=news&id=urn:contentItem:5S8J-6531-F039-64FC-00000-00&context=1516831>

IX. Which accounts on your company's balance sheet contain estimates or judgement?

A. According to Tyson's 10K section on estimates and judgements, the following accounts contain such things: contingent liabilities; goodwill and intangible assets; and long-lived assets and definite life intangibles.

CASE 5: Thomas Sowell Economics

An Analysis of the Myths of Economic Inequality as Presented by Dr. Sowell

Prepared By: Meredith McDonald on December 2, 2019

Executive Summary

In this case, I watched the interview of Dr. Thomas Sowell, an American economist and social theorist from the Hoover Institute, in which he discusses myths of economic inequalities in America. Through watching the video and listening to the class discussion of how economics and governmental action affects Americans, I was challenged to rethink many things that I had previously heard regarding the effectiveness of economic programs and rely on empirical evidence over personal conviction. In the interview, Dr. Sowell discusses his early life and education, his experience in working for a government institution, and how his views have been shaped by these experiences. Sowell defends the notion that individual outcomes are a product of choices made and the conditions of those choices and uses this vision to explain his stance on federal aid programs which have been used in the war on poverty.

Dr. Sowell brings to light many statistics that I had not heard before and defends his opinions well using the evidence he presents. I see that an intelligent understanding of these topics is important for us as accountants because economic programs formed and funded by current and future lawmakers will not only affect each of us personally, but they will also affect the businesses we work for. I respect the manner in which Dr. Sowell conducted himself and presented his opinions, but did not agree with all of his beliefs regarding welfare, access for minorities, and how economic inequality should be handled. Instead, I believe the way in which Sowell dismissed economic inequality as an issue that must fix itself is a thought process that merely perpetuates a cycle of segregated success which impedes the progress of America as a whole.

Case 6

Dr. Sowell Backstory and Video Summary

Dr. Thomas Sowell, a Senior Fellow at the Hoover Institute, Stanford University, is a conservative American economist and social theorist who has published more than books and done a plethora of research on the impacts that certain economic systems have on America and the international community. Sowell was raised in Harlem, New York, by his extended family where he dropped out of high school at the age of 17 and joined the United States Marine Corps. After his military tour in Korea, Sowell went on to gain a Bachelor's degree in Economics from Harvard University and a Master's degree from Columbia University. At the beginning of his collegiate education, Sowell claims to have been a Marxist, but after he worked as an intern for a federal agency he was dissuaded of his beliefs in Marx's economic theories after realizing that "government institutions have their own institutional interests." Having such a diverse background both personally and scholastically, Sowell is highly respected by many in the economic community as a man who "knows how to think."

In this particular interview, Dr. Sowell discusses economic inequality, racial inequality and the myths that he believes to have falsely described the state of poverty in the United States. The interview begins with a discussion of Sowell's early life, as outlined above, and then goes on to begin unpacking the differences between the constrained vision and the unconstrained vision. The constrained vision is described as a viewpoint from which a person sees outcomes in life as a result of the opportunities presented to individuals and how they respond to them. In contrast, Sowell submits that the unrestrained vision is a viewpoint that believes good things happen naturally. With

these visions in mind, Sowell jumps in to a discussion of how adoption of the unrestrained vision has done America more harm than good, especially in the war on poverty. Sowell submits that the experience of the African American community has regressed, the crime rate has skyrocketed, and the American family structure has all but dissolved among lower-income Americans due to the universal aid programs that have been formed in an effort to pull these people out of poverty. Sowell defends his opinion that lifestyle choices and hard work play a larger factor in the overall success of individual than federal initiatives such as welfare, EITC, affirmative action will. Sowell uses statistics and empirical evidence as the basis for his claims and says that the reason that many more liberal leaning individuals may disagree with his ideas is not because they disagree with the factual nature of the evidence he presents but because they are too attached to see that their vision for fixing America is broken.

CASE 6: Regulation FD

An Analysis of the Changes in Disclosure Practices in the Early 21st Century

Prepared By: Meredith McDonald on January 29, 2020

Executive Summary

In studying Regulation FD, I learned a great deal about the common disclosure practices used before 2000 and how the regulation has changed these practices. Before the promulgation of Reg FD, companies could selectively release sensitive information about their financial state to institutional investors and Wall Street Brokers. They could host earnings calls, meetings and release reports that gave certain groups an upper hand and left out other groups, namely individual investors. These selective disclosure practices proved harmful to the market in instances such as Worldcom, where the company consistently misrepresented revenues to smaller investors, eventually creating catastrophe. After Reg FD came into effect, all public companies were required to release any disclosures given to a certain group to the public as well. This created a level playing field and an environment in which individual investors could thrive as well as institutional ones.

I found the instances named in various articles in which selective disclosure harmed the market to be quite interesting because I had never studied this before. This case showed me the importance of public information and full, fair disclosure to all investors. I think it will be very useful in my accounting career because I will be able to help clients make the right decision and release information in a way that is legal and will promote fairness and market stability. Further research and analysis of the inner workings of Reg FD could prepare me even more to do my job in the coming years. This case also showed me that as technology continues to change the way that business works, as in the case of social media, disclosure practices will have to evolve as well.

Case 6

1.

Regulation Fair Disclosure, commonly known as Reg FD, was put into effect by the Securities and Exchange Commission in August of 2000. The SEC passed this rule in order to prevent selective disclosure by public companies to certain shareholders and market professionals by making it mandatory that companies any nonpublic information that given to a limited group of individuals be made public information. This particular regulation affects my client because it requires transparency in all disclosures of financial information. In the case that my client conducts an earnings or forecast call, they must simultaneously make the information publicly available (this can be done by issuing a press release). In the case that my client non-intentionally shares information, they must promptly make a public disclosure.²⁰

2.

Before the internet boom, many companies would release important information to only a select group of people each week through meetings or conference calls which was unfair to smaller shareholders or individual investors who were excluded from the meetings and shorted the valuable information. This selective release of information was shown to be destructive for individual investors in the market because costs and revenues could be misrepresented, stocks could be sold at much more than they were worth because no one actually knew the hard numbers, and the market could be set up to work for large investors and fail for individuals. In short, the Reg FD exists to level the playing

²⁰ <https://www.investopedia.com/terms/r/regulationfd.asp>

field between institutional investors and individual investors, and avoid misconceptions about the market.

3.

Yes, my client did violate Reg FD by posting some of the company's nonfinancial performance metrics on his personal facebook page. Facebook is a social media platform that allows one to post information, but on personal pages this information is not public to *everyone*. Instead, it is only shared with a selected group of people that one is "friends" with on the platform. Because this information was only shared on my client's personal page, and not made public information that all people could access, it is a violation of Reg FD.

4.

I believe that the post my client made on facebook with the company's nonfinancial performance metrics is still in violation of Reg FD even after reading this article. The article assigned, detailing the tweet that Elon Musk sent out about taking Tesla private is different because Musk's twitter profile is "public." This means that any investor or individual could look at the tweets, but this is not the case with a personal facebook post. Reg FD ruled in the Reed Hastings case that social media was suitable if it was publically accessible, and personal facebook pages are not.

CASE 7: Tax Issues

An Analysis of Tax Issues Presented in a Scenario

Prepared By: Meredith McDonald on February 2, 2020

Executive Summary

In this case, we are looking into a specific scenario in which there is potential for our audit client of 18 years, the CEO of Kimberly Oil and Gas (KOG), to be unknowingly entering into fraudulent financial activity. While at an innocent lunch, Mr. David Smith reveals to us that his daughter Emma, also known as Little Big Mama, has been earning around \$15,000 a month by acting as a Youtube star. Although she is only 13 years of age, hearing this raises some red flags for us at F&M LLP. Not only is this news potentially detrimental to our client, but it also puts the firm at risk.

Why is this news so troubling? As the primary tax accountants specifically in charge of the CEO's personal tax return, it is our responsibility to make sure that we uncover all potential deductions and credits, advise our client against any potential tax liabilities, all the while making sure that there are no unnecessary taxes being paid. In order to protect our client, we need to raise some questions about Emma's untaxed annual income of \$180,000 for the past four years.

As tax accountants, it is crucial for us to do our due diligence when it comes to protecting our client's financials. In this industry, an oversight like the one that is taking place, in this case, can lead to undue penalties and stress for the clients that we are paid to protect. Throughout this case, we will look at the ramifications for what will happen if this income goes untaxed and overlooked. We will also look at what will what Emma herself should owe in taxes, seeing that particular resolution is the right path for us to take at F&M LLP.

Memo to the Partner Group

February 12, 2020

To: F&M Partner Group

From: Mr. Falkenheiner and Miss McDonald

Dear Partner Group at F&M:

This afternoon, we had the privilege of having lunch with Mr. David Smith, the CEO of Kimberly Oil and Gas (KOG). As you all are aware, KOG has been one of our largest clients for the past 18 years, and since Mr. Smith took over as CEO from his father-in-law four years ago, he has relied on us to complete his personal tax returns as well. Over our lunch, Mr. Smith began telling us a little more about his personal life, his family, his hobbies and his children. During this conversation, it came to our attention that Mr. Smith has a 13-year-old daughter, Emma, who is an up and coming Youtube star. Mr. Smith relayed to me how proud he was of her, as she is now making around \$15,000 per month in advertising revenue and receives new free clothes and products by mail.

We write to you because we are afraid our group has failed to accurately represent the financial situation of Mr. Smith and his family on his tax returns in two major ways. First, our group failed to file a tax return for Emma. As Emma is making over \$12,200 per year, our firm should have been filing a tax return on her behalf as well as that of Mr. Smith. Additionally, Miss Smith has been putting all of her earned income into a money market which has a return of 3% interest. This has been happening for more than 4 years now, and due to the high amount of unearned income that the money market is earning

Miss Smith, we believe that the family has failed to pay a Kiddie Tax. We estimate that at this rate, Miss Smith has an unearned income of **at least** \$4,500 for the tax year 2019.

Miss Smith's unearned income should have been taxed at her father's marginal rate of 37%. This failure has resulted in a failure to pay taxes over the past many years, but in 2019 we estimate Emma's unpaid federal tax liability to be at least **\$35,013** and her kiddie tax liability to be at least **\$851**. We do preface this financial information by telling you that these are rough calculations, but they do show the seriousness of the situation.

These tax issues need to be remedied immediately, and we are confident that now that we have this information, F&M can accurately represent the Smith family to the IRS.

Memo to Mr. Smith

Dear Mr. Smith,

We are writing to you in reference to the conversation that we had over lunch today. It was wonderful to learn more about your family, but some of the information you shared with us was alarming in regards to your taxes. Until today, F&M group was unaware of your Daughter's Youtube success, and although she is only 13 and she is still your dependent, her income *is* taxable by the federal government. For each year that her income was greater than \$12,200, a tax return should have been filed on her behalf. Additionally, for each year that the interest revenue in her money market (her unearned income) was over \$1,100, you are liable for the kiddie tax. Due to the fact that we do not have hard numbers for both her yearly earned and unearned income, we cannot tell you the extent of her tax liability, but for 2019 alone, we estimate it to be over \$35,000 in income taxes and \$800 in kiddie taxes.

F&M group seeks to represent you as accurately as possible and we wish to remedy the situation as quickly as we can. Please reply to this email at your earliest convenience to set up a meeting with us to discuss the details so that we can get this sorted out as soon as possible.

Best,

Meredith McDonald

CASE 8: Monopoly Meets Blockchain

An Analysis of a Blockchain Monopoly

Prepared By: Meredith McDonald on March 4, 2020

Executive Summary

In this case, our thesis class simulated a Blockchain monopoly through a modified monopoly in order to better understand how the platform works and the complexities that arise from its use. From reading articles about Blockchain, I have learned that the platform is an opportunity for many users across the globe to have access to the same general ledger as other users at the same time. In theory the platform can offer transactional transparency and equity among financial users in order to create more opportunities for advancement in the global market. Our game, although it only provided a small picture of a global Blockchain, showed our class various parts of the system, as well as how complex it could be if used globally.

Through participating in the simulation, I learned a lot. Before this experience, I knew that there was something that existed called “Blockchain,” but I had no idea what it was or how it worked. After participating, I now understand what Blockchain is, how it works, what various roles are in the system and what job they perform. Additionally, the experience allowed me to better understand how Blockchain may work in a global market as well as the complexities that may arise from its utilization in such a vast arena. I think that the knowledge I have ascertained from this experience has better equipped me for a career in accounting because Blockchain is probably just the beginning of cryptocurrency advancements that will shape the profession for years to come. After having had this experience, I can walk into an internship with a basic understanding of the platform and be able to contribute to discussions about how it may affect my work and my clients.

Financial Statements from the Monopoly Game:

YOUR NAME: Meredith McDonald
Income Statement
 For the First Period of Operations

REVENUES	<u>1032</u>	1000	
<i>minus</i>			
EXPENSES		<u>(300)</u>	
<i>equals</i>			
NET INCOME	<u>1326</u>	1000	(If this number is negative, you have a NET LOSS)

YOUR NAME: Meredith McDonald
Balance Sheet
 TODAY'S DATE: 3/1/20

ASSETS:			
Cash	<u>1032</u>	1000	
Properties		<u>300</u>	
Buildings		<u>0</u>	
Total ASSETS:	<u>1332</u>	1000	← Total of CASH, PROPERTIES and BUILDINGS
LIABILITIES		<u>0</u>	
EQUITY:			
Stock		<u>0</u>	
Ending Retained Earnings		<u>1326</u>	← Enter amount from ENDING RETAINED EARNINGS from Statement of Retained Earnings here
Total LIABILITIES PLUS EQUITY:	<u>1332</u>		← Total of LIABILITIES, STOCK AND ENDING RETAINED EARNINGS

YOUR NAME: Meredith McDonald

Statement of Retained Earnings
For the First Period of Operations

Beginning Retained Earnings	\$0	
<i>plus</i>		
NET INCOME	<u>1326</u>	← Enter amount from INCOME STATEMENT here
<i>minus</i>		
Dividends	\$0	
<i>Equals</i>		
Ending Retained Earnings	<u>1326</u>	

Explanation:

According to a Forbes article from February 2020, the revolutionary advancement in the cryptocurrency space known as Blockchain was in part created because there was a need for a platform that would allow multiple parties to participate in sending and receiving currency in a timely and accurate manner. Blockchain, which began to emerge around 2016 “is a mechanism for creating a distributed ledger.”²¹ Meaning that data can be stored on servers around the world and each user on the server can see everyone else’s entries. Although not fully developed, Blockchain “holds the promise of transactional transparency” and savings in time and administration costs for businesses around the world.

In our thesis class last week, we played a giant game of monopoly meant to simulate a Blockchain economy. The game was complete with business managers participating in different states making transactions, two oversight individuals that dictated which transactions could be made, individuals in the “cloud” ledger who held a

²¹ <https://www.forbes.com/sites/forbestechcouncil/2020/02/19/what-is-Blockchain/#28edb6512080>

complete list of all transactions which took place, individuals who represented the bandwidth that determined the speed at which transactions could be reported to all entities involved, and auditors. Within this simulation, I played the role of a business manager in a specific state who played the game of monopoly. Playing the game dictated when I was able to buy properties as well as when I had to pay rent to other people. Additional transactions that took place for myself as well as other managers were receipt of inheritances, jail sentences, expenses, etc. As a business manager, my success in the game was limited by the properties I was allowed to buy and the amount of rent I had to pay to other individuals. Additionally, the bandwidth and speed at which these transactions could be recorded slowed down my ability to advance in the game.

Although this game of monopoly is only a minute representation of Blockchain in the global market, it was made apparent to me through playing the game that there are many issues that must be worked out. Unless these issues and many others are resolved, I think it would be hard for Blockchain to work in the global market. One thing that I found to be an issue is that Blockchain is very complex. This could cause issues in the global market when many users are trying to understand the complexities of the system while also utilizing it to the fullest extent. Also, because transactions are in the cloud and consistently happening, it is hard for auditors to ensure that transactions in Blockchain's general ledger are represented accurately. There is a lack of regulation in the system which could cause problems in the global market. Additionally, it can be very slow. As a business manager, I would have liked to be able to complete transactions in a more efficient manner than block chain provided.

CASE 9: Business Professional Biography

An Overview of the Life and Career of Dale McDonald

Prepared By: Meredith McDonald on April 1, 2020

Executive Summary

In this case, I interviewed Dale McDonald, an established electrical engineer and small business owner in Hattiesburg, Mississippi, and pieced together a short biography which captures a snapshot of his life up until this point. I am so thankful that he was kind enough to speak with me, and it was a pleasant experience for the both of us. In the interview, he described to me his early life, college years, professional career, family, and some of the things he has learned along the way. Dale has worked as both an engineer and a business owner for over 40 years, he has had a fulfilling life and has many accomplishments to be proud of. Within his community in Hattiesburg, he is commonly referred to as “one of the smartest guys you will ever meet,” and he truly lives up to that. His clients, employees, friends, and family speak very highly of him. As a businessman, he exercises prudence and good judgement while also doing his best to go above and beyond for his clients and employees. In the next few years, he hopes to retire, but until then he will continue to spend his days consulting with clients and traveling across the southeastern region of the United States to fix industrial motors of all sorts. Before completing this case, I knew Dale, but through this exercise, I learned small pieces of information about him that I am not sure I would have ever known otherwise. This case has given me a more well-rounded view of him both personally and professionally, and has given me insight into things that I should do when I enter the workforce. I think that this case is applicable to my education, as it gives me a big picture view of the work life balance that will be necessary to maintain while working in the field of business.

Businessperson Biography

Dale Harrison McDonald was born in Tupelo, Mississippi, on November 17, 1950. A year later, his family moved a few hundred miles southwest to Natchez where he spent his childhood. Dale described his early years as a “simple life” consisting of sports and school. His father was an electrician, his mother a homemaker, and he had two siblings, an older brother and a younger sister. He admitted that in school he made decent grades, but studies were never prioritized as there was not a single college graduate in his family or extended family. Dale said that when he was old enough to start thinking about his future, he was faced with the harsh reality that he had two choices: go to college or go to work. He said most of his classmates chose to enter the workforce, as blue collar jobs were plentiful at the time, but his parents encouraged him to go to college.

Dale chose to attend Louisiana Tech University, which he decided on because it had programs to pursue music or a professional degree. He said that he started out in Physics because he had a strong aptitude for math and science and was not sure what he wanted to do, but after failing Calculus and finishing his year semester with only a 1.85 GPA, he decided to transfer to Mississippi State University. He said that he wasn't sure what to major in at first, but after co-oping with a local electric power company, he elected to pursue a degree in electrical engineering. Dale said that without the co-op experience, he would have never known what to major in. He also described to me that in his college years, he did not feel pressure to maintain a perfect GPA, as many students do today, but instead his goals were just to pass.

After completing his electrical engineering degree, Dale was hired by GE for technical marketing programs. He worked in Dallas for a while, but then moved to

Pittsfield, MA, for his second assignment with GE. Shortly after, he was offered a slot in an Application Engineering Master's Program, but elected to decline the offer so that he could move back home to Mississippi, marry, and work at the family business.

Dale's work in the family business, a small electrical supply company, took him to Hattiesburg, Mississippi, where he resides to this day. Before moving to Hattiesburg, Dale married his college sweetheart in 1974. They were married until 1995 when she was taken from him by cancer. In 1997, Dale remarried. He remains happily married to this day, and has one biological daughter as well as two step sons. Through the years, Dale described his life outside work to consist mostly of family and church. Many of his recreational activities consisted of family events, vacations, water sports, and hobby time. He said that much of his satisfaction both in work and in life has been by helping other people. Dale described his best vacation to be the time he traveled with his family to Alaska, he said that seeing a new and different part of the world was most enjoyable.

Dale described to me that if he could go back and change two things about his life, he would choose to work less, be more active, and be a better Christian witness. He told me that he is glad that he did not know more as a 21 year old, saying that if he had known more, he likely would not have had the courage to learn from his mistakes. Yet, he gave me a few pieces of advice: break the habit of being taught and begin the process of learning, understand that the best lessons are the ones we must pay for ourselves, and that happiness is the anticipation of the attainment of a goal. Dale said that he is most proud of his children. He explained that he believes the biggest challenge for his generation has been the balance of work and life and thinks that going forward, the

biggest challenge for my own generation will be learning that nothing important comes without struggle.

CASE 10: Intern Biography

An Overview of Grace Harlan's Intern Experience

Prepared by: Meredith McDonald on April 20, 2020

Executive Summary

Over the past 3 years, I have been working towards the goal of being adequately prepared for a career in accounting. As I near the end of my tenure at the University, one of the main things left which stands between me and graduation is an accounting internship set to take place beginning in January 2021. During this time of learning and preparing, I have been fortunate enough to know older students who have gone before me and completed an internship. They have been kind enough to give advice when they think of it, but I have never had the opportunity to just sit down and ask any question I could think of. During this case, I had this opportunity, which is why this particular case is especially crucial to my education. Because of this experience, I feel that I am better prepared to be an intern and eventually enter the workforce.

In this case, I interviewed Grace Harlan, a senior at the University of Mississippi majoring in Accounting. Grace recently completed an International Tax internship with Deloitte in Houston, Texas. Upon graduating, Grace will stay one more year at Ole Miss to complete a masters degree and her CPA exams before returning to Deloitte Houston to begin her full time career in international tax. Over the course of our interview she was kind enough to give advice about picking a service line, choosing between firms, what the internship itself is like, and what incoming internships should know/do. Grace gave great advice regarding what kinds of questions to ask firms about service lines and office culture. She also gave constructive tips on things to do at the beginning of an internship in order to get the most out of the experience. Overall, this interview was very helpful and made me even more excited for my future in accounting.

Intern Interview

Grace Harlan, a senior at the University of Mississippi studying Accountancy, claims Houston, Texas, as home. She moved around a lot during her childhood, but since she graduated from high school in Houston and has family who live in the area, she felt that it would be the perfect location to begin her career in tax. Grace decided to complete her internship with the International Tax group in Deloitte's Houston office, and although she is not sure what she wants to do long term, she said that for her, this internship was the best place to start. Throughout the course of our interview, Grace offered insight into how she chose tax, the internship selection process, and the internship itself.

Throughout her college career, Grace worked hard to figure out what kind of accounting internship would fit her best. She said that for a while she thought she may want to do an audit internship, as it involves lots of group work and travel, but then she began to do research into tax. Grace eventually decided that tax was the right fit for her because it allowed for more exposure to different types of clients, and she could still have exposure to audits. After Grace decided on tax, she narrowed her interests and set her sights on international tax. Grace shared with me that she lived internationally growing up and had strong interests in even living abroad, so this specific area fit her interests well. One of her favorite parts about International Tax was that it was a challenge, she had to know a lot about Business Tax Services plus a lot about International Tax on top of that. In addition, she liked that international tax groups are typically smaller than other tax service line groups, but they make just as much money as Business Tax Services.

In the spring of her junior year, Grace interviewed with multiple accounting firms in the area. She said that deciding between accounting firms and discerning which firm

was the right fit for her was a tough decision. She spoke fondly of the office visits she went on, saying that during those in-person tours and meetings with associates from each firm, she got a better feel for which firm was right for her. In addition to her office visits, she did research into the market share that each firm had in service lines in the Houston area and asked hard questions to the firms themselves like “who the big dog was.” In addition, she also inquired with people who worked at each firm about their individual career path. She was interested to know if they had been with the firm from the start or if they had transferred from a different firm. She told me that this question was especially insightful because it gave her an idea of what turnover rates looked like and which firm had employees who did not want to leave.

Grace said that telling firms that she had interviewed with but not chosen was the worst part, almost like breaking up with a boyfriend. She said that she believes the best way to approach the situation is to call the partner who gave you the offer, and tell them that although you really enjoyed getting to know their firm and are thankful for the opportunity, you have decided to go a different direction because it is what is best for you and your career. She said to tell them that you are very excited about the decision you have made, but wish them the best. Grace warned me that if you do not go into such a conversation with what you want to say planned out, they may try to convince you not to decline the offer and it gets really messy. She encouraged me to email the city recruiter and campus recruiter after discussing the matter with the partner, and then move on and not worry about it any more.

Grace began her internship with Deloitte in January of 2020, and she said that she really enjoyed the experience as a whole. She has accepted an offer from the firm to

return after completing her masters at the University of Mississippi this upcoming year. Grace said that her internship began with office onboarding on day one, then tax onboarding in Dallas on day two. After that she was in the office almost every day and went to the client site on very rare occasions. On her first day, she said she was assigned a buddy who was a first year associate that she could come to with questions and a partner-in-charge who would check in with her and offer advice. In her office, she said that the hours were not super defined. She would come in at 8 or 8:15 AM and leave around 5PM, but if she wanted to work overtime, all she had to do was ask. She said that other people in her office with families and children would have very flexible schedules and were able to work from home if needed. During her internship, she did a lot of research and memo writing, work papers, and translating. If she could have done anything differently, Grace said she would have asked to see different types of things (such as audits) a little sooner and not been shy to ask to work with people that she got along well with.

In addition to describing her internship experience to me, Grace gave advice applicable for any incoming intern. Grace told me that with almost any firm, you are able to negotiate your start and end dates, so if the office is wanting you to work through spring break, you can talk to them about it and potentially change it. She said that interns should ask as many questions as they want, explaining that it shows fervor to learn and is expected. She said that on an interns first day in the office, they should go through the office directory of first and second year associates and add each of them on skype so that when you run out of work you can ask for more. Grace said to be diligent in setting up

lunches with people from the office so that you can get to know them better, and to talk to your partner-in-charge often to form a good working relationship.

CASE 11: Financial Crisis and the Future

An Analysis of the 2008 Financial Crisis

Prepared By: Meredith McDonald on April 26, 2020

Executive Summary

Prior to this case, I had not studied the market crash of 2008 in detail nor thought a great deal about it, so this case was quite eye opening. From hearing bits and pieces of conversations about the 2008-09 financial crisis, I thought I knew what had gone on, but being so young when it happened, I did not understand the gravity of the situation at all. Through reading and analyzing the videos and articles assigned in this case, I became enlightened as to the occurrences of the crisis but also frustrated at the selfish risks that had been taken by Wall Street businessmen. I saw how they had used the naivety of the common man or woman around the country to profit from inaccurately rated loans. I saw how they continually put their own personal interests above those of the company or the country. I saw how they acted in many ways that were blatantly unethical. Then, I saw how it all came crashing down, just for the government to bail out big businesses.

This case required me to face the facts of history and the cut-throat manner of the industry in which I seek to work. It also made me face the injustice that still surrounds it in many ways. I think that this case is important to my education from a historical knowledge standpoint but also as a reminder that as a professional, it is my duty to act in ethical ways. This case also helped me form a more educated opinion on what I believe to be the role of the government in regulating and overseeing businesses. It is a good thing that we live in a country that supports capitalism, but it is important to have rules and regulations in place that protect citizens first and businesses second. In times of crisis such as these today, change occurs, and I am confident that on the other side of COVID-19 we may evolve just as we did after the financial crisis of 2008.

Financial Crisis and the Future

This case taught me a lot about the relationship between big business and government, opening my eyes to both the pros and the cons of our current form of government. More specifically, the material made me see our government from a different perspective and solidified my beliefs on certain issues that relate. The United States is not a communist nation, we practice democracy and capitalism, and although the system is not by any means a *perfect* democracy or capitalist system, it is a lot better than other government forms. Many people talk about how the government should/should not play a role in business, or what limit the government should have, but the issue does not become personal until times of crisis.

In 2008, this issue as to how far the government should reach in order to regulate business and protect citizens became personal for the United States. It was a reminder that in all government and non-government relations, there must be checks and balances, not the wild west. The wild west may seem fun for a while, but when innocents are hurt in a gun fight it's not so fun anymore. You could say the same about Wall Street and the things that investment banks were doing prior to the market crash.

Watching and reading about the things that Wall Street businesses got away with just before the crash was both enlightening and frustrating to me. It made me think a lot about what I believe should be in place. The documentary *Inside Job* was particularly interesting to me because it highlighted ways in which the banks did whatever was necessary in order to make more money. They would bet against their own loans, invest in faulty businesses, publish inaccurate ratings, and then take all the money they earned from such shady dealings and spend it on private jets, homes in the Hamptons,

prostitutes, or whatever they desired of the like. Then, when it all came crashing down, the government bailed them out. In my opinion, that is not right. In short, the video solidified my belief that if when trouble comes, the U.S. government will be expected to use taxpayer funds to bail out big business, there should be a great deal of oversight and regulation to decrease the likelihood of this happening. Some of this happened after the crisis in 2008, but in the future, regulation must evolve with the business community to protect the citizens of the US, their jobs and their savings.

From a professional standpoint, I think that the materials reviewed for this case are very important for all young-professionals entering the financial industry. The history of this financial crisis makes abundantly clear that it is important to be ethical. The reason that much of the distress surrounding this incident occurred was because those who worked on Wall Street took unethical risks to make more money. The video convicted me, as it should convict others my age, to be ethical in all manners of business practice as we enter the workforce. From a more personal standpoint, these materials showed me that I should be cautious of who I work for and what I am willing to attach my name to. I should not be involved with any type of business deal that I do not feel comfortable with or do not understand. If it seems fishy, I should try to stay as far away from it as possible.

I think that the current CoronaVirus climate will change the U.S. both economically and politically. First, I think that the amount of money that the U.S. government has authorized as aid may cause inflation to increase more than we have seen in the last few years. Additionally, I think that despite this aid, many businesses may go under. As far as Wall Street businesses are concerned, I think that when all is said and done, they will be okay. Politically, I think that the CoronaVirus will bring up some very

interesting conversations about what the rights of the government to tell us what we can and cannot do will come up. Some of the measures that may be in place for months to come—such as immunity certificates or temperature checks—may become more common and a “new normal.” I think that the climate around the pandemic may continue to build political momentum as we near an election, causing Americans, both individually and economically, to suffer more. I think that there are also lessons that we can learn from recent history regarding power and the fine balance between the government not overseeing enough and being too close. The situation changes on a daily, even hourly, basis and from my point of view, I do not think the status quo will be unwound, but I do think that it will slowly evolve into something new as we look ahead to our new normal.