Honors Accounting Thesis

John McIntyre

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HONORS ACCOUNTING Thesis

By
John Sharpless McIntyre IV

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
DEDICATION

To my family and friends, who always motivated me to get back up when life knocked me down.
ABSTRACT

This thesis is made up of twelve case studies completed during my junior year over various financial accounting topics. The class was led by Dr. Vicki Dickinson, who oversaw every aspect of each particular case study. The topics covered in this thesis range from various fields and expanded my knowledge on many accounting ideas. I know for sure that each case study prepared us as students for the ever-changing accounting world as we begin to start our careers in financial accounting.
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Case Study 1:

A Tail of Two Cities:

Memphis vs. Atlanta

By: John Sharpless McIntyre IV

September 25, 2019
Explanation of case:

Throughout this case I was able to dig a little deeper and learn about Memphis and Atlanta, both of which are relatively foreign to me. Both of these cities offer vast amounts of opportunities in the business world. There are a handful of Fortune five-hundred companies in both of these great cities. The prevalent industries in both of these cities offer incredible opportunities for accountants. I would like to go into audit, and I think it would be jaw dropping to audit some of these large corporations. Auditing a large corporation like International Paper or Coca-Cola will provide many learning opportunities for me. These cities are more alike than they are different, so this makes it hard to pick a favorite. This case led me down the right track to truly understand the differences between these two cities. One of the more interesting parts of the case to me was comparing the cost of living between Memphis and Atlanta. I am curious about how the base salary will change from city to city for an accountant. With all my research being complete, I can now confidently pick my preferred city between the two.

1) What is the population?

Memphis:

The population of Memphis as of the 2017 census is 652,236. Being from Jackson, with a population of 166,965, the population of Memphis excites me because it is larger
than Jackson, but not overwhelming. I am looking forward to learning the day to day operations in a new and much bigger city.

**Atlanta:**

The population of Atlanta as of the 2017 census is 486,290. Once again, since I am from Jackson, this intrigues me. The most exciting part about Atlanta’s population is that it may be smaller in actual size, but the skyscrapers in the city are incredible. Atlanta has a more substantial infrastructure.

2) Climate and Season fluctuations

**Memphis:**

The summers are scorching, usually due to the high humidity of the south. The winters are short, cold, and wet. I am accustomed to these weather conditions because I am from Jackson, which has similar climate fluctuations.

**Atlanta:**

In Atlanta the summers are long, hot, and muggy; like most cities in the south. The winters are short, cold, and wet. Throughout the year, the temperature usually varies from 35°F to 89°F. I am accustomed to the climate conditions of Atlanta.

3) City topography, scenery, and other geographic or geological features of the area for which the city is located.

**Memphis:**

The city of Memphis is relatively flat just like the delta by which it surrounded. The Mississippi River acts as the Western border of Memphis, in downtown, it runs adjacent to Riverside Drive. The view of the Mississippi River under a moonlit sky
is incredible (as shown below). On top of that, it would be great to look out my office building and see the Mighty Mississippi one day. Greenbelt Park, located in Memphis, is one of the most iconic parks in the city.

Atlanta:

Atlanta, even though it is filled with skyscrapers, has numerous beautiful sights. The city is filled with recreational parks and plenty of local shops. Atlanta has over 3,000 acres of parkland. The view of the city at night is phenomenal, being from a small city, that excites me.
4) Tax Rates

**Memphis:**

Tennessee, unlike most, does not have a state income tax. However, Tennessee does tax interest earnings and dividends. Residents in Memphis also do not have to worry about a local income tax either. The property tax in Memphis is computed on the Federal level. The sales tax in Memphis is 9.25%, which for a conservative spender, like myself, is not frightening.

**Atlanta:**

In Atlanta the State Tax is 4.86%, Federal is 9.82%. The State Tax will take 2,673 off my income and the Federal tax will take 5,401 off my income. Local Sales tax for Atlanta is 8.9%. When comparing tax rates, Memphis is favorable due to the fact that there is no income tax.

5) What transportation hubs are in the city?

**Memphis:**

The International airport located in Memphis may not be the most prominent airport around the south, but it gets the job done. It provides daily flights to more significant hubs like DC, New York City, and Washington. The Mississippi River also provides a mean of transportation, not as much personal, but for the transportation of goods.

**Atlanta:**

The Hartsfield-Jackson Atlanta International Airport is one of the most excellent airports in the country. It is located 7 miles south of downtown Atlanta. The airport is
known as one of the busiest airports in the world seeing around 107 million passengers a year. Also, the Hub for Delta Airlines is located at the Hartsfield-Jackson Atlanta International Airport.

6) What is the city’s most prevalent industries? What is the city’s five largest companies?

**Memphis:**
Logistics, Healthcare, and transportation are the most prominent industry’s in Memphis. Also, Memphis has more Fortune five-hundred companies than any other city in Tennessee; International Papers, FedEx, and AutoZone, for example. The tops five companies in Memphis are FedEx, AutoZone, International Paper, TruGreen, and Sedgwick CMS holdings. These companies create numerous job opportunities for Memphis and the communities around it.

**Atlanta:**
Finance, Manufacturing, logistics, and the film industry are the most prevalent industries in Atlanta. Coco-Cola hub, Delta Airlines, UPS, and Home Depot are all headquartered in Atlanta, these hubs provide thousands of jobs to people all over Atlanta and have helped stimulate the cities growth.

7) Healthcare and School

**Memphis:**
St. Jude and Le Bonheur, two of the countries most recognized children’s hospitals, are located in Memphis. When thinking about my future, this gives me a sense of ease knowing that if anything were to happen to my kids, they would be in great
hands. Memphis has many distinguished private schools in the K-12 district. It is hard to say which school is best now, but when it is time to send my kids to school, they will go to private school.

**Atlanta:**

The top two hospitals in Atlanta are Emory University and Emory Saint Joseph’s, both of which have a great history in their field. I am confident that one day if I live in Atlanta, I will have the proper health care opportunities. Like Memphis, Atlanta also has many options for private schools. One of my best friends went to Lovett School, and it treated him great. When I have kids in Atlanta, they will go to Lovett.

8) What are the types of crime are common within the city and where are the locations within the city to avoid?

**Memphis:**

Memphis is known for having one of the highest crime rates in America, Memphis is ranked 11th in violent crime rates in big cities. From what I have gathered, you do not go downtown late at night, and one should stay away from South Memphis.

**Atlanta:**

Atlanta is known for having a high rate for violent crimes and is in America’s top twenty-five for murder capitols of the world. Like most cities, being downtown in Atlanta during the later hours of the night can be dangerous. This information is something that I do not take lightly; I care about the safety of my family one day.

9) Based on where you see yourself living for the first three years, how much rent do you expect to pay? Back up this assertion with sample properties for each location (including pictures). Describe the square footage, amenities, need for a roommate, availability of parking, etc.
Memphis:
I see myself living at Fielder Square Apartment Homes for the first three years. I will be living with a roommate, which makes my rent expense $603 a month. The amenities include a private balcony, generous closet space, a gated multi-level parking garage, and it overlooks the Red Birds Stadium.

Atlanta:
In Atlanta, I could see myself living in the MorningSide apartments. I plan on living with a roommate to cut the cost of rent down to $1094.5 a person. This is a little more expensive than the Memphis apartments, but it pays off by being a more excellent complex. The amenities include a fitness center, a parking garage, three landscaped courtyards, and a sky lounge.
10) What is the typical mode of commuting?

**Atlanta and Memphis:**
In both Atlanta and Memphis, I would commute to work by either driving or walking. In a perfect world, I would live close enough to my office that I could walk to work every day. Not only would that save me gas money, but also it would be a good little work out every day. If I live to far from work to walk, I would then drive. I do not like the idea of driving because of how bad traffic can be in both Atlanta and Memphis.

11) Where would you do your grocery shopping?

**Memphis:**
In Memphis, there are plenty of options when it comes to grocery shopping. I could keep it local and go to the local markets for my groceries, or I could go to the bigger stores like Kroger or Wholefoods. Early in my career, I see myself shopping at the bigger
grocery stores more than the local shops. Simply because I feel like I could save more money this way.

Atlanta:
In Atlanta, there are also many options for grocery shopping. I will take the same approach that I have for Memphis. Early in my career, I will shop at the more popular stores to save more money. As I get older, I will begin to buy more delightful products from the local markets.

12) How will you do your laundry?

Memphis and Atlanta:
In both Memphis and Atlanta, I will be doing my laundry in my apartment. Both of the options listed above include washers and dryers. Doing my laundry by myself and in my own home will save me time and money.

13) Name at least three civic, religious, or charitable organizations you would like to be active in each city.

Memphis:
The first organization that I would want to be actively involved in is a Methodist Church. It is hard to pick one now because I would have to attend the church first to find my best fit. Once I have become a member, I would like to become a disciple group leader for younger kids. Secondly, I would try to get involved with Habit for Humanity in Memphis. I feel as if this is a great way to give back to the community. Lastly, I would be a part of the Boys and Girls Club of Memphis. I think helping the upcoming generations is a crucial role as being adults.

Atlanta:
Like Memphis, the first organization I would join in Atlanta is a Methodist Church. Next, I could see myself being active in the American Cancer Society; this is something that affects me personally. Finally, CARE USA is interesting to me. This organization helps fight poverty and makes improvements around the community. There are numerous options when it comes to a non-profit organization in Atlanta.

14) What are the sports entertainment or recreational activities that you would be most likely to engage in within the city? Name at least five activities.

Memphis:
In Memphis, the sporting event that I will attend the most is defiantly going to be watching the Grizzlies play basketball. Another sporting event that will be easy to attend, mainly because my apartment is next to the stadium is a Red Birds baseball game. Next, on the weekends, I may find myself on Beale Street enjoying the nightlife. Since Memphis is a great city for music lovers like myself, I will be attending local music lounges frequently. Lastly, coming from a family that enjoys the outdoors, I am hoping to join a hunting club around the Memphis area to keep that hobby alive.

Atlanta:
In Atlanta, the sporting event that I am looking forward to the most is the Atlanta Falcons, football team. Another sports team is the Atlanta Braves, I have never been to an MLB game, so this is an opportunity that excites me. I love watching basketball, so I will be attending an Atlanta Hawks Basketball game every chance I get. Lastly, Soccer is one of my favorite sports to play, and I would love to attend Atlanta United Soccer games. The team is one of the best in their league, and the games are extremely fun.
15) What are the modes of traveling back to your hometown from this city? What is the average cost that you would incur for each trip back home? How long will it take to reach your home?

**Memphis:**
I am from Jackson, Mississippi, so when I travel home, I will driving. The drive from Memphis to Jackson is about three and a half hours. To make it to Jackson and back to Memphis It will take about two full tanks of gas. It will cost me about 120 dollars.

**Atlanta:**
If I live in Atlanta, I will still drive back to Jackson, Mississippi. The trip will take around five and a half hours in total. On a round trip, I expect to use around three and a half tanks of gas. This will cost me about 210 dollars.

16) Develop a monthly operating budget.

**Memphis:**

<table>
<thead>
<tr>
<th>Table 1-A</th>
</tr>
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<table>
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<tr>
<th>Percentage of Income Spent</th>
<th>Summary</th>
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<tr>
<td>23%</td>
<td>TOTAL MONTHLY INCOME $5,000</td>
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<tr>
<td></td>
<td>TOTAL MONTHLY EXPENSES $1,158</td>
</tr>
<tr>
<td></td>
<td>TOTAL MONTHLY SAVINGS $750</td>
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<td></td>
<td>CASH BALANCE $3,092</td>
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<th>Monthly Income ITEM</th>
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<th>AMOUNT</th>
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<tr>
<td>Electric</td>
<td>[Date]</td>
<td>$80.00</td>
</tr>
<tr>
<td>Gas</td>
<td>[Date]</td>
<td>$10.00</td>
</tr>
<tr>
<td>Groceries</td>
<td></td>
<td>$20.00</td>
</tr>
<tr>
<td>Personal care</td>
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<tr>
<td>Entertainment</td>
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<table>
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<td>$100.00</td>
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</tbody>
</table>
Finally, based on your full analysis, determine which one is your preferred city and why?

After analyzing both of these cities, I believe both will provide unique opportunities for my field of work. Memphis, being a little closer to home, defiantly makes me more comfortable because my family means a lot to me. On the other hand, Atlanta is a little further away and seems more chaotic because it is a bigger city. Not necessarily in numbers, but the infrastructure. I feel that in both the cities, my opportunities as a businessman and accountant will be high. I will have the chance to
grow in the hierarchy of business and make a name for myself, which excites me. For both Memphis and Atlanta, my budget for each month are reasonably close, so the money will not be a deciding factor. Memphis does seem safer than Atlanta, which gives me a sense of ease when I think about my family, which I will have to provide for one day. At the end of the day, both of these cities seem like a perfect fit for me, and it will be tough to pick one. When it comes down to it, I will pick Memphis over Atlanta. I choose Memphis because it is closer to home, close to Ole Miss, provides me with the opportunity to continue hunting and fulfill my other hobbies, while all at the same time giving me the opportunity to make a name for myself in the business world.
Case 2: Excel Course

By John Sharpless McIntyre IV

October 1, 2019
The Board of Directors of the Corporate Finance Institute® have conferred on John McIntyre, 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 13848570
Chair of the Board
Scott Powell
Director
Lisa Dozern
Director
Oct 1, 2019
Case Study 3: BREXIT

By: John McIntyre

October 9, 2019
Explanation of Case:

The United Kingdom is attempting to leave the European Union on October 31st, 2019. Through this case study, I intend to compare the pros and cons of what the United Kingdom leaving the European Union would look consists of. The European Union (EU) came into power in 1993 due to the Maastricht Treaty; the union consists of twenty-eight countries today. Over recent years the EU has begun to take more scrutiny from groups inside and that outside. Just like a coin, every story has two sides; the side you pick is most certainly up to you. On the one hand, people believe the United Kingdom should leave the EU since it does not embody what a democracy should look like what’s so ever.

On the other hand, supporters of the EU believe that if the United Kingdom left, it would devastate their economy and leave them worse off. While both arguments are credible, that scrapes the tip of the iceberg. If the United Kingdom leaves the EU, it will cause many uncertainties for businesses around the globe. On the other hand, citizens of the United Kingdom are fed up with the rules and regulations that the EU enforces. Throughout this case study, I plan to compare both sides of the story and ultimately decided what course of action is best for the United Kingdom.

Why the United Kingdom Should Leave:

I am a proud citizen of the United States of America and am willing to do anything for my country when it comes down to it. That being said, I feel like I have a good idea of what a democracy should look like, and let me tell you, the EU does not reflect a democracy. Let’s start with the basics. Every high Democracy government contains accountability and transparency; for
the United States, this could be the system of checks and balances, but the EU has nothing. The people in the United Kingdom feel as if they have no say in politics. Yes, people in the UK elect their members of Parliament through a transparent form of democracy, but that is not saying much. Parliament, in the grand scheme of things, really has no control over the EU. Once a law is deemed European law by the EU, nothing can be done. Only members of the EU have a vote in these laws, on top of the fact that the debates between members of the EU are never made clear to the public (Brexit – The Movie). This takes me back to my point, where is the transparency? How can British people be taxed by lawmakers they did not even elect? To me, this sounds like the sparked that ignited the Revolutionary War many decades ago. I cannot wrap my head around a form of government that lacks this much accountability and transparency.

How can citizens in the UK elect officials into Parliament, believing that they will fight for what they believe when at the end of the day they will have no say in the laws and regulations that affect their day to day life. This is not a Democracy quite frankly because the people have no power (Brexit – The Movie). On another hand, the EU releases a stigma of “Elite vs. the People.” People voting for BREXIT like to call this the “EU Gravy Train.” Members of the EU live a much more lavish lifestyle and get certain advantages because they paid enough money to be part of the gravy train. Members of the EU have a personal shopping center that only EU officials are allowed to enter. These shopping centers contain hair salons, luxurious dining options, and much more. It is completely closed off to outsiders. On top of that, members of the EU are charged a lower tax rate than ordinary people in the EU. The EU is also known for “buying opinions” of other states in the EU, which does not embody the ideals of a Democracy. People under the EU should have the power to remove the officials above them, and it is crazy they lack this power (Brexit – The Movie).
Now that it is understood that the EU lacks transparency and accountability let’s look at how the EU’s rules and regulations affect the working class around Europe. Starting a new business under the EU is like entering a dangerous minefield, and here’s why. Take a look at North Shields, what used to be a fishing industry powerhouse that saw 12,000 boxes of fish a day, now only sees around 200. This can single handily be blamed on the acts of the EU. Britain lost control of the waters that their fishermen have been fishing for many decades because of laws made by the EU. These laws crushed the fishing industry in North Shields. The EU is known for paying a fisher to burn boats, while at the same time giving certain people the rights to fish certain waters. The EU believes that to protect industries, they must make laws and regulations. The amount of regulations on products in Europe is insane, just on milk alone, 12,635 regulations (Brexit – The Movie). While the idea that laws and regulations protect industries looks good on paper, it just merely is not valid. For example, Germany, after WWII, was in complete ruin. Germany decided to lift all regulations after WWII to spark the economy, and quite frankly, it worked. Germany wanted its industries to stand on their own two feet. Without laws and regulations, Germany went from a pile of ruins to an economic powerhouse; the third biggest in the world. The problem is that the EU thinks rules and regulations fix issues with competition when, in reality, all the laws do is cost company’s more money (Brexit – The Movie). Competition is key to innovation, and the EU is taking that away from company’s around Europe. Regulation is the enemy of growth. Another excellent example of how lifting regulations and laws can spark an economy is Switzerland. Switzerland is one of the least regulated economies in the world, and it is one of the richest in the world. That all being said, that is why people in the UK want to leave the EU. Like I stated earlier, there are two sides to every coin, so now let’s look at why people want to stay in the EU (Brexit – The Movie).
Why the United Kingdom Should Stay:

While the argument for leaving the European Union appears to be reliable, many people in Britain believe that leaving the EU would destroy the economy in Britain. One viewpoint held by those in support of the EU is the ample amount of jobs, and financial opportunities the EU provides for families. Over three million jobs in the UK are linked directly to the EU by trade, which is one and every ten jobs in the UK. On top of that, the EU is expected to create 790 thousand more jobs by 2030 (Britain Stronger In Europe). Members of the EU can trade freely with all countries in the EU, creating more jobs and opportunities, and increasing citizens' financial stability. Experts predict that if the UK leaves the EU, they will run the risk of losing 950 thousand jobs in the UK, thus causing less security for families. On average, the Trade Union estimates UK citizens would lose £ thirty-eight of wage currency a week. Being a member of the EU also brings lower prices on fuel and food for families (Britain Stronger In Europe). The EU saves families around £ 350 every year through these price cuts, leaving more money in families' pockets. The United Kingdom leaving the EU would affect the economy in Europe as a whole, not just the United Kingdom.

Experts predict that if BREXIT gets passed, it will drive the economy into a recession. Overall the UK gets more out of the EU than what it contributes per year. Britain contributes £ 5.7 billion a year to be part of the world's largest trade-free zone and sees a benefit of £91 billion per year. In the case that the UK left the EU, there would be a period of instability lasting 2-10 years experts predict (Britain Stronger In Europe). The value of the currency would dramatically drop, forcing a fall in the value of one's home and pension. Families would feel the impact of this currency devaluation in almost every aspect of their life, causing the cost of living to increase. The UK would also have to renegotiate trade deals with countries all over the world,
including the EU. It is not plausible to put a period on how long these negotiations could take, because quite frankly no one knows. British firms would also have to pay tariffs to trade now, which is a cost that has not been incurred by them since they are in the EU. The tariff cost would lower the amount that companies can trade due to the expense they would have to bear even to be able to trade (Britain Stronger In Europe). Locally, people are worried about losing funding in programs that enhance farming, medical, and scientific research. Overall, there are many drastic cons to leaving the safe arms of the EU. There is a lot on the line over the next two weeks. As previously stated, every coin has two sides; in the instance of BREXIT, both sides of the coin seem to be substantial arguments.

Conclusion

In 2016 the people in the UK voted on this same matter, the vote resulted in 52 percent of the population voting to leave, and 48 percent of the population voting to stay in the EU. That being said, the topic of discussion is one that will impact many people. Over three years later, in 2019, it is almost voting time again. With the vote being October 31st, 2019, I am very interested to see which side of the coin will come out on top. Based on past polls, it should be a close call. In remarks to BREXIT, the only thing left do is see what the numbers portray on the 31st of October.
Work Cited

Brexit – The Movie

“Get the Facts.” Britain Stronger In Europe,
https://www.strongerin.co.uk/get_the_facts#HSEF8prmemIIpdri.97.
Case Study 4:

Company Case:

International Paper

By: John Sharpless McIntyre IV

October 30, 2019
Explanation of Case:

During this case, the class was divided up into different groups of four; each group was then given a company to focus on. The groups were then given a list of nine different questions to answer about their specific companies using its 10-K. My group was assigned International Paper, out of Memphis. We were asked to explain many different characteristics of the company just by looking at their 10-K. I was excited about the company I got because International Papers is headquartered in Memphis. Memphis is one of my top two locations, so I found it interesting to look at the 10-K of International Paper. It opened my eyes to something I could potentially be doing one day, which is auditing large companies. After looking at the companies 10-K with my group and answering questions, I was able to learn an ample amount about this company. Which happens to be one that I knew very little about beforehand. My roommate is from Memphis, knowing this, I told him that my group had International Paper for our case study. He went on to say to me that his dad used to be on the executive board for International Papers, which I thought was excellent. Looking back at this case study, I realized how much it taught me. This gave me an upper hand because I understand how to go through a company’s financial statements and pick out the valuable information. Furthermore, I now understand how to explain the findings from the 10-K in a business tone. I feel as if this case study gave me a good taste of what being an auditor will be like one day.
1) **What is the nature of your company’s business? How do they generate profit?**

   **Where is it headquartered? Where do they do business? What is the fiscal year-end?**

   International Paper is a global packaging and paper company that generates profit by selling printing paper or paper products for more than they manufacture it for. The headquarters for International Papers is located in Memphis, Tennessee. The company’s fiscal year end is the same as the calendar year-end.

2) **Who are your company’s auditors? Name the firm and City.**

   The Deloitte office in Memphis audits International Paper.

3) **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 accounts.**

   **Assets**

   **Cash and Temporary Investments** – Cash is standard medium of exchange and is the basis of measuring accounting information. Temporary investments are described as having a maturity of three months or less, and are treated as cash equivalents. Temporary Investments are stated at their cost which is relative to its market value.

   **Accounts and Notes Receivable** – Receivables are assets that are claims against customers for the products or services that have been received. For International Paper this would be money owed to them from customers who bought paper products on credit. Note Receivables are supported by a promissory note, which is a written promise to pay a certain sum of money at a future date, notes due earn interest.
**Contract Assets** – A contract asset is an Entity’s right to the payment of goods sold based on something other than the passage of time. Contract assets and liabilities are generally based on past performance.

**Inventories** – Asset items that the business holds to sell in their normal business cycle to generate revenue. Also includes the goods that will be used in the production of the goods that will be sold. International Paper valuates their inventory based on market value or lower of cost.

**Assets held for sale** – Long lived assets for which the company has a plan to sell at a future date. Considered to be a long-term investment, not property, plant and equipment. No depreciation is charged, usually valued at fair value or lower of market.

**Other Current Assets** - Assets of value that a company owns, benefits from, or uses to generate income that can be converted into cash within one business cycle.

**Plants Property and Equipment** – Known as tangible fixed assets, represents the non-current, physical, illiquid assets that are expected to generate long-term economic benefits. Plant, Property, and Equipment are stated at cost, less accumulated depreciation. Straight line depreciation is used for plant and equipment, but International Paper uses the unit of production depreciation for its pulp and paper mills.

**Forestlands** – Forest land owned by company, used to get raw materials for production.

**Investments** – Includes investments in securities such as long-term notes, common stock, or bonds. Includes land held for speculation, which is a tangible fixed asset not used in operations. Also includes investments set aside for special funds, such as sinking, plant expansion, or bond sinking funds.

**Financial Assets of Special Purpose entities** - A special purpose entity is a legally separate business that absorbs risk for a corporation. International Paper has a few actions that fall under
this category. For example, International used timber installment notes that were then used as collateral for borrowings from third parties.

**Goodwill** – Intangible asset that arises when a company buys an existing company. The amounts to the excess of the money paid to purchase the asset or business over the net value of the assets minus liabilities. Example would be if someone bought Coca-Cola, the buyer would pay more money than what the company is worth on paper because of “goodwill.”

**Deferred Charges and other assets** - A deferred charge is a long-term prepaid expense that is carried as an asset on a balance sheet until used or consumed. These often are the outcome of prepaid rent or prepaid insurance premiums.

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**Liabilities**

**Notes payable and current maturities of long-term debt** – Money borrowed with a stated interest rate that is due on specific date within a year.

**Accounts payable** – Money owed to another company for products or services that International Paper has already revived.

**Accrued payroll and benefits** – Represents money that International Paper employees have earned since the last payment of payroll. Account will clear to zero once employees are payed for work completed.

**Liabilities held for sale** – Non-Current liabilities that are highly probable to be released through the from of a sale rather than continuing use. Liabilities held for sale are recognized at the lower of their carrying amounts or fair value’s less costs to sell.
**Other accrued liabilities** - A company's obligation to pay for goods and services that have been provided for which invoices have not yet been received. Any accrued current liabilities not already represented in the “Accrued payroll and benefits” account will be recorded here.

**Long term debt** – Any amount of outstanding debt a company holds for a period longer then twelve months.

**Nonrecourse Financial Liabilities of Special Purpose Entities** - Non-recourse debt is a type of loan secured by collateral, which is usually property. If the borrower defaults, the issuer can seize the collateral but cannot seek out the borrower for any further compensation, even if the collateral does not cover the full value of the defaulted amount.

**Deferred Income Taxes** – Liability recorded on balance sheet caused by a difference in income recognition between tax laws and a company’s accounting methods. The total tax expense may not equal the company’s payable income tax because of this reason.

**Pension Benefit Obligation** - A pension benefit obligation is the present value of retirement benefits earned by employees. The amount of this obligation is determined by an actuary, based on a number of assumptions, including the following: Estimated future pay raises. Estimated employee mortality rates. Estimated interest costs.

**Postretirement and Postemployment Benefit Obligation** - Post-retirement benefits are for people who have served or worked to achieve a lifetime benefit for themselves. This is one form of retirement pension that is paid to the employees in their retirement years. These include things like medical plans and life insurance.

**Other Liabilities** - This account includes any long-term debt incurred by International Paper that is not recorded in any of the other long-term debt accounts.
**Equity**

**Common stock** - Ownership share in a corporation that allows its holders voting rights at shareholder meetings and the opportunity to receive dividends. If the corporation liquidates, then common stockholders receive their share of the proceeds of the liquidation after all creditors and preferred stockholders have been paid.

**Paid-in capital** - The amount of capital "paid in" by investors during common or preferred stock issuances, including the par value of the shares themselves plus amounts in excess of par value. Paid-in capital represents the funds raised by the business through selling its equity and not from ongoing business operations.

**Retained earnings** - The profits that a company has earned to date, less any dividends or other distributions paid to investors.

**Accumulated other comprehensive loss** – Accumulate unrealized gains and unrealized losses on those line items in the income statement that are classified within the other comprehensive income category. A transaction is unrealized when it has not yet been settled. Thus, if you invest in a bond, you would record any gain or loss at its fair value in other comprehensive income until the bond is sold, at which time the gain or loss would be realized.

**Non-controlling interests** - An ownership position wherein a shareholder owns less than 50% of outstanding shares and has no control over decisions. Non-controlling interests are measured at the net asset value of entities and do not account for potential voting rights.

4) **Describe your company’s customer base** – who are they and how do they use your company’s products? **Describe your company’s specific sources of revenue and their revenue recognition policies. How much revenue comes from outside the U.S.?**
International Paper has a wide customer base with most of the buyers being interested in Industrial Packaging which makes up 69 percent of total revenue. Next, International Paper makes 19 percent of its revenue off of Paper; with global cellulose fibers coming last in terms of revenue with 12 percent of total revenue. As of 2018, Globally, specifically while selling industrial packaging materials, International Paper sells the most products to Brazil at an operating profit of 122 million. Next, is Europe, The Middle East, and Africa (EMEA) International Paper had an operating income of 47 million dollars. The most income came from North America, at 2,292 million dollars.

5) **Describe your companies’ suppliers – who are they and what products or services do they provide your company? What types of cost are included in COGS?**

Most suppliers to International Paper seem to be chemical manufacturers, which is due to the fact that International Paper manufacturers most of their own paper products to then later sell to generate a profit. Electricity Contracts and Foreign exchange contracts are both included in COGS while Depreciation and Amortization are excluded.

6) **Describe each category of other operating expenses on the income statement- how do these expenses help generate revenue?**

*Selling and Admin expense* – The sum of all direct and indirect selling expenses and all general and administrative expenses of a company. Includes all the costs not directly tied to making a product or performing a service. This helps generate revenue through advertising expenses, getting your product name known.

*Depreciation amortization* - Two methods of calculating the value for business assets over time.
Taxes and other payroll income taxes - Imposed on employers or employees and are usually calculated as a percentage of the salaries that employers pay their staff.

7) How are revenues and expenses changed over the past three years?
In 2016, net earnings appeared lower than 2017 and 2018. This was caused by many small increases and decreases in various expense and revenue accounts.
In 2017, the net earnings were $2,144 million with net sales of $21,743 million. The largest expense account on the books is COGS at $14,802 million.
In 2018, the net earnings were $2,017 million, with net sales of $23,306 million, once again the largest expense was COGS at $15,555 million.

8) Compare your company’s net income to their cash flows from operations. What accounts for the difference?
In 2018, International Paper has $2,012 million in net earnings with cash flows being $3,226 million. Cash flow measures how well a company manages its cash position, in other words how well a company generates cash to pay its debts. One account for the difference can be blamed on the fact that cash flows are not affected by accrual accounting methods. When the asset total goes down for a company it will decrease the net income, but its cash from operations will increase. This is another reason why net income is lower than the cash flows.

9) Which accounts on the company’s balance sheet contain estimates or judgment?
For International Paper, Allowance for doubtful accounts, pension expense, long lived assets (impairments), goodwill, and contingent liabilities all call for the use of estimates or judgments.
Case 5: In Class Activity

By John Sharpless McIntyre IV

November 8, 2019
Case 6: Thomas Sowell Economics

By John Sharpless McIntyre IV

December 4, 2019
**Explanation of Case:**

To start off case number six the first thing we did as a class was answer some free response questions. The first question being about the electoral college and the second being about universal income. The idea of changing the way the presidential election plays out is a very bold one in my opinion. This is a topic that I have not heard much about, and I found it interesting to hear the other views people had. Because of the conversation we had in class about this subject I am now comfortable to talk about this among my peers if the conversation should rise. The next idea we talked about was the concept of universal income, this is something that I was familiar with. I have heard this idea being discussed in the presidential debates. This idea is very interesting, but I do not think it would work. If everyone in the United States got One Thousand dollars a month, would that not cause inflation over time? Yeah, people will have more disposable income, but I feel as if it would cancel out with inflation. Another problem I thought about was how the government would fund this project, just seems a little far stretched to me. It was nice to hear what my classmates thought about this idea too, it changes prospective. Overall, I found both of those questions very intriguing and even did some research on my own after class. Talking about these ideas made me more aware of current problems in the United States and made me more comfortable in sharing my views in front of others.

This case definitely taught me some valuable lessons. I am starting to learn how to be more open minded and hear the other sides perspective, even if I disagree. Learning how to communicate effectively, even about matters that may cause dispute is something I deem very valuable. I believe that skill set will help me in the accounting world as I grow in my career.
Thomas Sowell

Thomas Sowell was born June 30, in 1930. He is an American social theorist and economist. He was in the Marine Corps during the Korean War. After the war he began to study economics where he went on to get a master’s degree from Columbia University. In his early twenties he was a Marxist. Marxism in short is the idea of an economic system proposed by Karl Marx in which there are no classes. The government would in theory control all resources and means of production to ensure equality. His ideology changed when he was an intern for the federal government in 1960. He changed his ideology to a free market economic theory. Sowell had the theory that government employees responsible for administering the minimum wage law care more about their own jobs, then those of the poor. He came to this assumption from studying patterns he noticed in the sugar industry in Puerto Rico. Sowell is not a supporter of the Federal Reserve. He believes that it has been unsuccessful in preventing economic depressions and limiting inflation. On top of that Sowell is also a critic of affirmative action. Affirmative action describes policies that support members of a disadvantaged group that most likely has experienced discrimination. It aims to provide aid in areas of education, housing, and employment. He believes that these types of welfare systems have only hurt the lower classes through history. He would rather have the government less involved. I do agree with a lot of the ideas that Sowell talked about in the video and found many of them to be interesting. I think it is important to hear every perspective in any problem at hand. Studying the work of an economist who is not in the spotlight all the time s definitely a great change of perspective. I was very impressed with Sowell and the way he went about approaching the problems as hand. He is someone I will defiantly keep up with for the months to come.
Case 7: Regulation Fair Disclosure

By John Sharpless McIntyre IV

January 29, 2020
Introduction to Case:

Throughout this case, we were asked first to explain what regulation FD is and why it is crucial. Before reading the articles, I was uninformed on what it means exactly. With that being said, I now have a clear understanding of Regulation FD and why it is vital for investors. As the case study went on, we were asked to look at the instance of WorldCom and their analyst actions regarding their downfall. After reading those three articles, it opened my eyes to just how important the concept of fair disclosure is. Without regulation, FD would be nearly impossible to keep credibility in our markets around the country. To me, credibility is the most important asset an accountant has. I feel as if this case has taught me a lot about the securities exchange world. On top of that, questions three and four gave me a real-world example of what this could look like in today's advanced society. I enjoyed working through this case and felt as if I grasped a lot from it.

I have always had an interest in investment banking and our class discussions was a catalyst for my interest. Reading the articles that Dr. D provided shed light on a new concept that before I really was not too informed about. I was beneficial to see first-hand accounts from professionals and their perspective on the idea. The questions given to us for this assignment really made us think about this idea of regulation fair disclosure and how critical it can be. This information is something I look forward to taking to the working world with me, for I truly believe it will help me in the long run.
Question 1: Explain what regulation fair disclosure is and how it affects your client's financial reporting actions

The Security Exchange Commission has implemented many laws to protect the interest of investors, one being regulation fair disclosure, to prevent companies from selectively disclosing information to the market. Regulation FD is not like most laws that the SEC implements because it deals with the selectiveness of voluntary disclosures. For example, a selectiveness voluntary disclosure could occur during a press release from a company reporting on its business. The main objective of regulation FD is that it requires a company to immediately disclose any material non-public information that has recently been disclosed to certain people outside of the company. This regulation aims to end any opportunity for someone outside of the company to receive material information before the general public. Obtaining this information early allows the outside investor to make trades to put himself in a better position than those around him. In turn, this is not fair at all because the general public does not have this opportunity. Managers in the past have allegedly influenced analysis for companies by offering advanced information about the company before it is made known to the general public. Regulation FD also aims to eliminate this to protect the interest of investors in the general public.

Regulation fair disclosure is significant to anyone who works with financial statements for many reasons. The first being that since the SEC implemented this rule, companies must obey it, or there will be enormous consequences. Failing to abide by regulation FD could cost the reporting company to lose a large sum of money, but more importantly, lose all credibility. Regulation FD also changes the client's actions because the company will need to implement more internal controls to prevent information from falling into the wrong hands. The reporting
company may need to restrict who has access to the information to gain better control of the outflow of information about their company.

**Question 2: Why does Regulation FD exist?**

As stated above, regulation FD is aimed to protect the interest of general investors from selective disclosure. A great example of why this policy should exist can be found in the WorldCom case. Jack Grubman, a top analyst for Salomon Smith Barney, was questioned about his role in WorldCom and their downfall. He exclaimed under oath that he attended three separate board meetings for WorldCom. This is something that investment bankers typically should do, but here we have an analyst playing this role. With Jack in those meetings, there could be violations of regulation FD, as he has access to information that no other analyst has. Jack can be blamed for inflating the WorldCom stock price and allowing other insiders to dump their stock at high prices while the rest of the public suffers. Grubman can be blamed for losing all credibility for analysts in the workplace, people looked at them as hustlers now. People are inclined to believe that analysts care more about attracting people to the organization they work for rather than provide unbiased securities analysis for clients. On June 26, WorldCom's stock dropped 99% because they admitted to showing 3.9 billion in cost as revenues. Regulation FD aims to bring credibility back to the securities exchange market.

**Question 3:**

Yes, I do believe that my client violated regulation FD by posting that information on his Facebook profile. The objective of regulation FD is to prevent selective disclosure and to post valuable information without letting the general public know is breaking that regulation. This situation would different if the general public was made aware that this information exists. Still, since not everyone knows, this act of my client gives some people an unfair advantage over
others. Another problem with this action is what if the information was false? Or misleading? I would advise my client never to do anything of this nature again.

Question 4:
After reading the article about Elon Musk and what he posted on twitter, I still think that my client violated regulation FD. Regulation FD aims to level the playing field for all investors in the general public, and these actions do not create a level playing field. The information does not change my decision about question 3, there is a fine line between right and wrong, and my client is standing on the line.
Case 8: Is It Taxable?

By John Sharpless McIntyre IV

And

Kayla Biando

February 12, 2020
Case Objective:

In this case, our class was divided into groups of two, formed with someone who we did not previously know, in an attempt to make connections with our fellow classmates. Each group was handed a case called “Is it Taxable?” The case described a situation in which we were at lunch with our CEO and learned some disturbing news. We learned that our CEO’s daughter has been making a large sum of money from YouTube and advertisements and has not been taxed for it. As the individual responsible for the CEOs tax return this caused instant panic, I have essentially assisted in tax evasion. We were told to write an email to our Partners and the CEO warning them of the repercussions from this. This case taught our group exactly how tax works with dependents, and what to do with unearned revenue in a money market fund from a tax perspective. Tax is something that our group was not too familiar with before this case, but now we have a basic understanding. This case also helped teach everyone in our class something very important, ethics! Since we are Junior accounting majors having to make a choice between tax or audit, this case definitely helped with the decision-making process.
Dear Partners,

I believe there is something that I should bring to your attention. While I was at lunch today with the CEO of our company, he told me some frightening things that could affect his taxable income. His daughter, Emma, has been making 10,000 to 15,000 dollars per month for the last three years off of YouTube. On top of dozens of free packages being mailed to her from all kinds of beauty and apparel companies. It seems obvious that this money has been earned tax free, I am afraid there may be some repercussions in the near future. As the person in charge of his tax return, I plan on looking into this immediately. Please feel free to reach out to me with any questions or concerns.

Best,

Tax Team
Dear Mr. Smith,

During our lunch meeting, it came to my attention that your daughter Emma has been earning income from her YouTube channel for the past four years, while also receiving Public Relations packages from fashion and beauty vendors in exchange for advertising services. On top of this, her money market funds are returning 3% interest this year, which need to be accounted for as unearned income. These sources of revenue by your daughter, appear to have been untaxed up to this date, which could constitute tax evasion as defined by the IRS.

However, after intensive evaluation of the situation, it appears that there are no tax ramifications for your personal tax return, and you are still able to claim Emma as your dependent since you provide over ½ of her support. It is still important to note your potential liability for the unfiled returns, as Emma is a minor and you would need to assist in the filing and sign off on the completed returns. That said, since Emma has earned over the standard deduction amount for single dependents over the past four years, prior to and after the 2018 tax rule changes, she owes taxes and should have been filing an annual tax return. With this filing delay, penalties will arise as a result according to the IRS, which are “5% of the tax owed each month, up until 25%” (irs.gov). Although this may not be something you were hoping to be notified about, it is good that we caught this now, rather than you or Emma being alerted by the IRS in the future.
Works Cited

https://www.creditkarma.com/tax/i/when-to-file-dependent-tax-return/

https://www.irs.gov/taxtopics/tc653
Case 9: Monopoly Meets Blockchain

By John Sharpless McIntyre IV

March 3, 2020
**Introduction to Case:**

Last week, our class learned about Blockchain through a way one wouldn’t expect; we played monopoly. I will discuss Blockchain and its abilities later on throughout this case. To give a basic idea of what took place during this monopoly game, our class was divided up into four states, each state had eight members. Each group of eight went on to play monopoly with an individual starting cash balance of fifteen hundred dollars. Each member recorded his or her transactions and sent them to the “cloud” to be put into the ledger. In order to purchase a piece of property one would have to see “Ma” or “Pa,” who also record the purchase in their books. The game being set up this way enabled it to feel like a Blockchain system in the sense that the data is decentralized. When we first started playing, it was a little confusing to grasp the idea of it, but after a round or two things began to fall in motion. My particular state ended up going through eight turns, which left my ledger full of transactions.

This particular case taught me how efficient Blockchain could be when ran properly. It is virtually impossible to “cook the books” with this system in place. This system reminds me of the checks and balances system that is in place in our government today. One person does not hold the power to change anything without the other people involved noticing. Also, this case opened my eyes to what accounting could look like in the future as Blockchain technology keeps growing at the rate it is. If this complex idea was perfected it could hold the weight to completely end any fraudulent activities that take place in the business world today. Lastly, I realized that I may need to improve my Monopoly abilities because my bottom line did not justify the going-concern principle in the accounting framework. Overall, I enjoyed this case and hope we do more things like it in the future.
Blockchain

Blockchain began in 2008 when it was first applied to a form of cryptocurrency called bitcoin. Since then it has improved vastly and is beginning to offer users real-world solutions to problems faced by day-to-day transactions. Blockchain defined by its basic definition is a growing list of records, usually called “blocks,” that are linked using cryptography. Cryptography is the study of techniques for secure communications with third parties present. The data being communicated through codes, so it is protected from anyone trying to gain access to the information being communicated. These codes allow only whom the information is for to transcribe and read the information. Blockchain has a distributed structure, which entails that no central entity is in charge. To put this in an accounting perspective, it provides a distributed ledger. All network participants in the Blockchain have access to the distributed ledger and the data stored there. In this shared ledger, transactions are only recorded one time, thus eliminating the duplication efforts found in normal business structures. The records held in the ledger are immutable, meaning it is unable to be changed. This makes it impossible for a participant in the Blockchain to tamper or change any record already in place in the distributed ledger. Blockchain also enables smart contracts to speed up transaction times. The contract is stored in the Blockchain database and is executed automatically. For example, a Blockchain smart contract could define conditions for corporate bond transfers, include travel insurance terms and much more.

As Blockchain continues to develop and improve it possess the opportunity to change world commerce. It offers levels of transparency and trust unlike anything seen in the traditional business transaction technology. Blockchain also makes a company’s supply chain fully traceable, in the sense that one could see who grew, picked, shipped, and processed food while at
the same time securing the data of the company. Blockchain created trusts through its shared record of truth. Information that everyone can trust helps power new innovative technical ideas on top of increasing confidence, transparency, and efficiency. Overall, I firmly believe that Blockchain will change world commerce for the good in the upcoming years.

**My Results**

I held the role of a Business Manager during the game last week. My job was to play Monopoly and purchase properties with the intent to turn a revenue. My results can be found below. My bottom line was – 1,030. I believe this number was so low because I purchased so many property’s and never had the chance to see my ROI due to lack of in game time.
10. Notice that you will always have a CASH effect for each of these transactions (mentioned above) at the same time (we call this double entry bookkeeping). The exception to this rule is the “Get Out of Jail Free” card, this is a non-accounting transaction. On the other hand, if you pay $50 of (DIGITAL) CASH to get out of jail, this is LEGAL EXPENSE.

11. You must present your digital key to a Blockchain Consultant to complete any transaction.

12. After the game is completed, make sure to note your total digital cash in the space below. Also, list each property (along with the number of houses and/or hotels on it) here:

Digital Cash at End of Game: $470

<table>
<thead>
<tr>
<th>Properties Owned</th>
<th># of Houses</th>
<th># of Hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>140 Stotes Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>260 Ventnor Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>350 Parke Place</td>
<td></td>
<td></td>
</tr>
<tr>
<td>220 Kentucky Avenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>970</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## BUSINESS MANAGER TRANSACTION LISTING:

<table>
<thead>
<tr>
<th>TURN #</th>
<th>DESCRIPTION OF EVENT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Contributed DIGITAL CASH to start business.</td>
<td>$1,500</td>
</tr>
<tr>
<td>1</td>
<td>Paid $3 Ryan Rent: (Vermont Ave) 3$ to Mrs.</td>
<td>$3</td>
</tr>
<tr>
<td></td>
<td>total</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Purch States Avenue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rent Revenue - States Avenue</td>
<td>$5</td>
</tr>
<tr>
<td>3</td>
<td>Hospital Fees</td>
<td>$0.07</td>
</tr>
<tr>
<td>4</td>
<td>Purch Vermont Ave</td>
<td>$2607</td>
</tr>
<tr>
<td>5</td>
<td>Purch - Park Place</td>
<td>$3507</td>
</tr>
<tr>
<td>6</td>
<td>Income Tax</td>
<td>$207</td>
</tr>
<tr>
<td>6</td>
<td>Passed Go - Add $200</td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>Rent Revenue - St. &amp; Park Place</td>
<td>$35</td>
</tr>
<tr>
<td>7</td>
<td>Rent Expense - Pennsylvania Railroad</td>
<td>$257</td>
</tr>
<tr>
<td></td>
<td>Rent Revenue - States Avenue</td>
<td>$10</td>
</tr>
<tr>
<td>8</td>
<td>Purch Kentucky Avenue</td>
<td>$3207</td>
</tr>
</tbody>
</table>

TOTAL: $3,867
Now you’re ready to prepare financial statements. You must prepare them in the following order: 1) Income Statement, 2) Statement of Retained Earnings, and 3) Balance Sheet. (There is also a fourth financial statement called the Statement of Cash Flows but we’ll save that for another day).

The Income Statement reports the REVENUES and EXPENSES and a summary number, NET INCOME or NET LOSS. If REVENUES > EXPENSES, you will have NET INCOME. This is a good thing. Conversely, if REVENUES < EXPENSES, you will have a NET LOSS and likely won’t be in business for much longer. We also start every financial statement with some important identifying information: 1) Name of the Business, 2) Name of the Financial Statement, and 3) Date. Let’s see how you did in your operations for the first period of business.

<table>
<thead>
<tr>
<th>YOUR NAME: John Mc. Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Statement</td>
</tr>
<tr>
<td>For the First Period of Operations</td>
</tr>
</tbody>
</table>

| REVENUES | $2,071 |
| EXPENSES | $1,030 |
| NET INCOME | $1,041 |

(If this number is negative, you have a NET LOSS)

Blockchain is distributed, no central entity.
Now it’s time to do the second statement, the Statement of Retained Earnings. Retained Earnings is the sum of all the net income earned over the life of the business minus all the dividends paid out to owners over the life of the business. We need to make a couple of important points. First, since this is the first period of operation, your beginning retained earnings will be zero. Second, we didn’t pay ourselves a dividend yet, so DIVIDENDS will be zero (we’ll get to that later in the class). So the statement will go as follows:

\[ \text{YOUR NAME:} \quad \text{John Mc Corp} \]

Statement of Retained Earnings  
For the First Period of Operations

\[
\begin{align*}
\text{Beginning Retained Earnings} & \quad \$0 \\
\text{plus} & \\
\text{NET INCOME} & \quad \underline{< 10307} \quad \text{\text{\textless} Enter amount from INCOME STATEMENT here} \\
\text{minus} & \\
\text{Dividends} & \quad \$0 \\
\text{Equals} & \\
\text{Ending Retained Earnings} & \quad \underline{< 10307} 
\end{align*}
\]

NOTE: If you had a NET LOSS instead of NET INCOME, then you would subtract the amount of the NET LOSS on the NET INCOME line. This means that your ENDING RETAINED EARNINGS will be negative.
Now you’re ready to complete your final financial statement of the assignment, the Balance Sheet. The Balance Sheet is a “snapshot” in time of the accounting equation. In other words, it will list all ASSETS, LIABILITIES and EQUITY of the business. The key is this: ASSETS must equal LIABILITIES + EQUITY at the end or you made a mistake. In other words, the accounting equation must be in balance.

YOUR NAME: John Mc. Co

Balance Sheet

TODAY’S DATE: ______________________

ASSETS:

Cash

$1,440

Properties

$970

Buildings

Total ASSETS: $2,410 ← Total of CASH, PROPERTIES and BUILDINGS

LIABILITIES

Total LIABILITIES

PLUS EQUITY:

1,500

Stock

1,037

Ending Retained Earnings

→ Enter amount from ENDING RETAINED EARNINGS from Statement of Retained Earnings here

1,037

Total of LIABILITIES, STOCK AND ENDING RETAINED EARNINGS

$4,410

Are the numbers on the two bold lines the same? If so, congratulations, your Balance Sheet is in balance. If not, then you must find out where you went wrong and try again. Do your totals from your ledger make the Accounting Equation balance? If not, then check each individual posted transaction to make sure each line has the Accounting Equation in balance. If that doesn’t work, you might want to try re-totaling your columns at the bottom of the ledger. If you still can’t find the problem, see if you can get a classmate to be your “auditor” — sometimes “fresh eyes” can spot the problem.
Works Cited

https://www.ibm.com/blockchain/what-is-blockchain?p1=Search&p4=p50370596445&p5=e&cm_mmc=Search_Google--1S_1S--
WWW_NA--blockchain%20explained_e&cm_mmca7=71700000061222563&cm_mmca8=kwd-296141816300&cm_mmca9=Cj0KCQiAwP3yBRCKARIsAABGiPok6gjX6WJmVrSp5ug2rjyJ1NRYsUssekpbT4jc98dHTKcNH7UFFIcaAu0aEALw_wcB&cm_mmca10=406205800055&cm_mmca11=e&gclid=Cj0KCQiAwP3yBRCKARIsAABGiPok6gjX6WJmVrSp5ug2rjyJ1NRYsUssekpbT4jc98dHTKcNH7UFFIcaAu0aEALw_wcB&gclsrc=aw.ds

https://searchsecurity.techtarget.com/definition/cryptography
Case 10: Industry Interview

By John Sharpless McIntyre IV

March 29, 2020
Introduction

This particular case was like no case that we have done previously throughout this class. Our assignment was to interview a relative, friend, or someone random and ask them specific questions about their profession and the working world. I do like the idea of this case; it puts many people out of their comfort zone and opens an opportunity to learn a whole lot. I believe one of the best ways to learn about a particular industry or line of work is to sit down and talk with a person in that line of work, and that is what this case was for me. I enjoyed interviewing my family friend Mark and feel as if he has had a significant impact on my life up to this point. After completing the interview, we were told to make a biography about the person and talk about the interview and what we learned from it. This was a compelling case because it gave me first-hand knowledge about what to expect in the working world outside of college. One of the things that this case really opened my eyes up too is how blessed we are as college students at the University of Mississippi.

I am writing this on day 14 of quarantine, and it makes me realize how grateful I am for the little things. This case opened my eyes to how fast time will fly, and sometimes it’s good to sit back, slow down, and appreciate things in the moment. In three years, when we are in the working world these days will be what we miss the most. I feel as if people are eager to get out of college and to start their careers, but after talking to Mark, I think as a class, we should sit back and enjoy our senior year. Stop worrying about all the expectations of the people around you, silence out all of the excess noise, and focus on what is in front of you. The last thing that this case taught me is that it’s okay not to have it all figured out. In most cases, no one has a perfect plan for after college, so do not stress too much. It will all work out in the long run.
Overall, I enjoyed this case and believed it taught me some valuable lessons for the rest of my life.

**Biography**

Mark Wilson is a fifty – four-year-old businessman working for BCI out of Ridgeland. He has two daughters and one son and is happily married. He attended the University of Mississippi and got his degree in general business.

**Interview**

1) **Tell me about your life growing up before you started college or your career.**

   “I was blessed and had the opportunity to go the Jackson Prep for Highschool before I attended Ole Miss. My younger days were a blast and mostly filled with riding three wheelers and hunting, not too much school haha”

2) **What were your college years (if applicable) like?**

   “My college years were some of the best years of my life. I went to Ole Miss from 1985-1989 and got my degree in Business. I was also in a fraternity and met my beautiful wife there. College then was a lot different than it is today if you could imagine, but I loved my time at Ole Miss.”

3) **Did you know you wanted to do this when you went to college? If not, how did you decide to pursue this field of study?**

   “I knew that I was a people’s person, if you will. So, I decided that I need to get into a position in sales for a company and hopefully one day get paid on commission one day. Somehow, it worked”
4) Walk me through your first jobs until where you are now. What important things did you learn at each position along the way?

“My first job was with a tech company and I worked in the sales department. The company was soon bought by a larger technology sales company and I kept my job during the merge. Now I still work them, BCI, and I have won many awards for best salesman. One life lesson I learned from my experience is to keep your head down and work hard, never quit. Do that and you will make it in your life out of college.”

5) What has your life been like outside of your work?

“My life outside of work is family, friends, and my farm I work on. I would consider my farm my fourth child!”

6) What has been the best vacation you’ve ever taken?

“The best vacations are always at the beach in early summer”

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

“Trick question, I would change nothing. I have been truly blessed!”

8) What do you wish you would have known when you were 21 years old about life and your career? What piece of advice would you share with me and my classmates?

“I wish I would have slowed down more and lived in the moment. As you get older people have all these expectations of you and you will feel a lot of pressure. Stay young while you can and enjoy this last part of college, your working life is not going anywhere”

9) What are you most proud of?
“I am most proud of my family and the life me and my wife have provided for our kids”

10) What do you think will be the biggest challenge for your generation?

“Retiring one day”

11) What will be the biggest challenge for my generation?

“I think when your generation gets to be my age, there will be immediate actions that must be taken to prevent global warming. Take care of your planet!”
Case 11: Intern Interview

By John Sharpless McIntyre IV

April 19, 2020
**Introduction:**

Our class was assigned a case unlike any we have done before. For this case, first our teacher had each student submit their favorite firm, city, and the service they chose for the internship next winter. Next, we were partnered up with a senior who just finished their internship and were instructed to reach out and conduct an interview. There were no instructions for how the interview should partake, the ball was truly in our court. We were free to ask anything we desired. After reading the instructions for this case I was interested to say the least. I was not itching to write the report, but I was excited to hear about the experience my interviewee had on his internship. Our internship is less than a year away and honestly, I have no clue what to expect. I thought it would be great to hear a first-hand experience from someone who just completed the internship. In our last case we got to interview someone a little older in the work world to get their perspective. Now, we have the opportunity to interview someone not too older than us, who just got their first experience in the working world. It will be nice to hear how their perspectives differ, and how they align.

After I completed my interview with Parker, I felt a sense of peace. Hearing the ins and outs of the internship from someone who just completed it made it less frightening. It was nice to hear his perspective on work and compare it to my friend, Marks, from my interview last week. I defiantly understand that the internship will be challenging, and I will have long work weeks, but I am looking forward to it. It feels like I am turning a page in my life, I am a few months away from starting my career, which is crazy to think about. Overall, I thought this case was very well put together and I defiantly learned from it. I enjoyed my conversion with Parker and will defiantly reach out to him again one day.
Interview Summary:

Name?
Parker Crane

From?
Pearl MS

What city?
Deloitte, Nashville

Service?
Audit

Industry?
Healthcare – At first, I was kind of worried about working in healthcare, I did not think I would find it interesting. But I ended up enjoying it, I learned a bunch about the health care industry. I was on a small team, which I enjoyed that because I was exposed to more in the industry. My team was made up of 7 people, everyone knew each other and we worked well together.

Manufacturing – For this client my team was made up of me and another person, there were no windows in the room we worked in, it was a rough first week to say the least. I did not have a whole lot in common with the other person on my team, which was tough during a 10-hour workday. After one week, another person was added to our team, so this made the days go by quicker.

Biggest challenge?
One day I had to go talk to the VP of Revenue for the manufacturing company. My manager sent me to ask a few questions for her. I did not understand anything I was supposed to ask him, and I did not understand anything he told me in return, but I took good notes.
What did that experience teach you?

This taught me to stick with it, no matter what, and over time it will become easier and easier to complete these tasks. Overtime you will learn a bunch, like the important skills that the job will teach you. What I am saying is, what I just wrote down for my manager makes no sense to me, but one day it will, I understand that I must keep my head up and work hard.

Longest hours?

I would usually work 55-hour weeks, which was not terrible compared to some of my friends. On my longest days I would arrive at 8 a.m. and leave around 9 p.m. The good news is that overtime starts after 40-hours have been worked during a week and pays 1.5 the normal wage. 55 hours sounds like a lot, but it is good, think about it. When you’re on the internship you are there to work, learn, and make money, but you’re not there until 11 p.m. or 12 p.m. every night. Most nights I would get home around 9 p.m. so I would have down time to relax and prepare for the next day.

Did Ole Miss prepare you for the Job?

Yeah, especially in Dr. Griffins audit class, he does a great job of teaching. I defiantly felt prepared in that aspect, I knew what all the words meant at my manufacturing client because of what Dr. griffin taught me. Hard work paid off!

What was your rent?

I lived with two other guys; we had a small place in East Nashville. We Paid somewhere between 600 and 800 dollars a month. I had a 30-50-minute commute to work depending on traffic in the mornings. Traffic was usually worse when I would come home from work though.
What hobbies did you do in your free time?

I enjoy chilling, I am kind of a home body. With that said, I did enjoy Broadway and eating at the restaurants, but on the weekends we usually laid low. Working these long weeks will wear down on you, so usually we would watch sports and rest on the weekends.

Advice?

Be positive, have a great attitude. When your first start no one expects you to come in on day one knowing everything. Do not be afraid to mess up, just stay positive. When people tell you things take notes, most of the time it’s the senior manager handing out tasks. Do not make them teach you twice, pay close attention the first time. Do the simple things right! Relax, do your best, and know that everyone at your office wants you to succeed!
Case 12: Inside Job

By John Sharpless McIntyre IV

April 26, 2020
Introduction:

This is the final case for our honors accounting class and arguably the most interesting. We were assigned a handful of items to either read or watch in the order given. After completion, we were then told to wait a day to let out thoughts synthesize before writing our case. The documents revolved around the idea of crony capitalism and the terrible outcomes that come from it. As seen in recent history, poor regulation can cause a detrimental global financial crisis, at the expense of the taxpayers. The resources given made it clear how unfair and untrustworthy our government and financial institutions are at given moments.

The actions of the top-ranking members of the corporations involved in the subprime mortgage scandal were sickening. Many of these high-ranking members knew what their actions would eventually lead too, but they chose to ignore that possible outcome to get rich. After reading about crony capitalism, it raised my concern for my generation and our financial stability. It made me realize how careful I need to be with the money I make one day, so I can have the capital to raise a family and own a house, etc. Reading through these documents also taught me that I should do my own research in the future before I make a big purchase. It can be difficult to fully trust the financial institutions in the United States today, especially after watching the movie “Inside Job.” This movie highlights just how corrupt the financial institutions and the United States government were during the financial crisis of 2008.

Overall, this case opened my eyes to the darkest side of the business world, in my opinion. Making money at other people’s expense. Incredibly unprofessional and unethical would be how I describe the high-ranking executives involved in this crisis. I do believe that younger generations can learn a great deal from the mistakes of those before us, and I think this example is a great one to learn from.
Question 1: How did the materials watched/read change your beliefs and what do you think this knowledge means for the future?

After examining the materials provided, my beliefs did not change much; if anything, the content strengthens an opinion I already had. I had a decent understanding of the crisis in 2008, but after watching the movie “Inside Job,” I felt more educated. I was astonished that so many intelligent individuals, working not only for financial firms but also the government could act in such an unethical manner. Many of these professionals knew what they were doing, knew the outcomes, and still operated in the pursuit of money. This movie solidified my stance on how untrustworthy institutions can be.

Carrying forward to the future, I think the repercussions for members of financial institutions who are caught for white-collar crime should have far worse repercussions. It is absurd that a group of businessmen can cause a financial crisis, have their company bailed out because of their negligence, and still walk out with hundreds of millions of dollars in personal income.

How did the materials watched/read change your beliefs about your role in society, both professionally and personally?

My beliefs about my role in society changed in a few ways after reading the information. First off, from a professional standpoint, this made me realize how vital my line of work can be. I realized that it is not posting journal entries all day but that I could change the community for the better. I get this inspiration from the individuals who noticed the risks involved before the crash in 2008 but were shut out. If people had listened to their earlier warning signs, they could have stopped the crisis from occurring, thus saving millions. I hope one day that I can faithfully serve my clients and have their best intentions in mind because they have a family to raise too.
From a personal standpoint, this case reminded me of how important it is for accountants to be credible. I was once told that "credibility is an accountant's best asset," and I think that is true. If clients cannot trust the information you are giving them, it adds no value. I believe it is imperative for people working in the business world to have a high standard of integrity.

**How, if at all, will the current virus crisis change the economic / political climate in the United States? Are there any lessons to be learned from our recent financial history? Is this a chance to unwind the status quo?**

Covid-19 has already shown to have harmed the market today. Unemployment is surging, the stock market is down, and the world seems to be in chaos. The economic uncertainty is what concerns me the most with the situation. Finishing up my Junior year of college, it is frightening to think that soon my class will be in the working world. This idea scares me. I am not afraid of the work itself; I fear the economic uncertainty surrounding the beginning stages of my career. I have been blessed enough to receive an excellent education, and I want nothing more than to use this investment in myself to hopefully one day do the same for my kids. But with the economic uncertainty today, it is impossible to predict how the economy will react.

Another way I have looked at this uncertainty is behind the perspective of “Scared money don’t make money.” By that, I mean, since I am young, I should invest in more risky securities because I have less to lose. In a time of uncertainty and dropping stock prices, I think if one had the proper capital, and made the correct investment decisions to buy stocks at lower market prices, that you could see a considerable return on your investment when the market recovers.

In regard to unwinding the current status quo, no, I do not think this is a chance to recover. Our nation has an enormous amount of debt we have racked up over the years and is struggling economically due to Covid-19. In unpredictable times it is hard to tell what the future has in hold, but for now, I do not see the United States recovering anytime soon.
The Honor Code

On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this ACCY 420 Case.

[Signature]