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Analyzing Case Studies and the different uses of Accounting knowledge

by

Meghan Foley

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

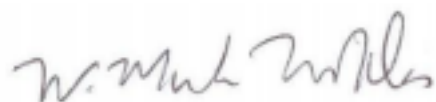
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Approved by



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Abstract

The purpose of this thesis was to further my accounting knowledge outside of traditional classroom learning. Throughout my time at Ole Miss, I had not used my accounting class work outside of the classroom. I was able to apply the knowledge to practical real life issues.

I participated in 11 case studies that each targeted a different topic of the accounting profession. The early cases related to my choice of specialty and city, whereas the final cases delved deeper into economic implications of accounting and finance.

I learned a great deal about real world accounting while writing this thesis. I came to the conclusion that accounting has impacts that reach farther than just auditing public companies. It can help predict results of operations of companies as well as help impact the economy.

Case 1: A Tale of Two Cities:
A Case Study of the Financial and Lifestyle Differences in Boston and New York

Case Requirements

This case required a detailed analysis of two cities that I wish to work in for an extended period. The different locations, prices, crime and other lifestyle differences in each city have been considered. The requirements of the case were to answer the multiple questions in depth and with the understanding that this city could be a permanent home.

The first questions asked about the different types of weather, climate and general environmental aspects of each city. These questions were the easiest to answer as I have lived in Boston for my entire life, and New York has very similar seasons and weather. The cold winter months, although very intimidating to most, have been a part of my life for the past 20 years. The urban atmosphere is something I am very excited to get to work in-yet both cities have great surrounding towns to go visit.

The next part of the case discusses the different financial aspects of each city. The research focused on what different companies and industries are most prevalent. In both cities, business and finance are the biggest trades. The New York financial district is one of the most important in the entire world.

Finally, I analyzed the different places I would get an apartment. Searching and pricing different areas and comparing the various perks and drawbacks really opened my eyes to how different each city truly is.

Analysis of Boston

The population of the city of Boston is 667,137, according to a census taken in 2016. The highest populated neighborhoods in order are Brighton, Dorchester, and West

Roxbury. The northern parts of the city are typically more densely populated than the southern part, which is more suburban.

The scientific term for the climate in Massachusetts is continental. The weather in Boston is characterized by extremes, and there is usually about 43 inches of rain a year. The main winter months are from December to the end of March and often the temperature reaches the negatives. The high summer temperatures usually reach 95 and averaging at 83 degrees. Afternoon rainstorms are frequent due to heat fluctuations. The summer lasts from June to August, with autumn settling in mid-September. The best place in the country to be in autumn is New England.

The city is located on a harbor of the Charles River and the Atlantic Ocean. The river is a huge natural landmark and something Bostonians take pride in. Because Boston was founded so early in the history of the United States, much of the city is very narrow in space and historical. The original roads and architecture can still be seen when walking around. The only remaining hill from pre-revolutionary war is Beacon Hill, and it rises above sea level. However, Bellevue Hill is the highest at 330 feet above sea level. During the summer months, the breeze from the Charles and the Atlantic cools off the parts of the city near the water.

Based on my starting income of \$55,000 I would pay out about \$12,000 in taxes a year. My federal tax would be \$4,700, my Social Security of FICA tax would be \$4,000, and my Mass State tax amount would be \$2,500.

The Massachusetts Bay Transportation Authority operates a public transportation system that is available to citizens in and out of the city's limits. The "T" as it is called by people familiar with it, has a subway, bus and trolley car service. There is also a

commuter rail, also under the control of the MBTA, that is useful to those living in the suburbs such as Walpole, Franklin, and Medway. In addition, the car rental industry such as Uber is booming. There are now over 10,000 drivers in the city and they far outnumber the cabs there. There is also a new tax being put in place to help struggling cab drivers. Finally, Logan International Airport is the main airport that citizens use. It is in East Boston, and flies with 40 airlines and over 130 different domestic and international locations. It is a hub for Delta Air line. The airport is convenient to get to and from and has enough flights to go anywhere you would need.

The major industries are finance and business professional services, and educational and medical institutions. In addition, the transportation job market is booming. The two largest medical schools are Tufts Medical School and Harvard Medical School. In addition, Boston Children's Hospital is the number one pediatric hospital in the United States. The quality of care for citizens above average. The five largest companies in order on the Forbes 100 list are General Electric, Liberty Mutual, Massachusetts Mutual Life Insurance, TJX, Raytheon, and Thermo Fisher Scientific.

The health care in Massachusetts is a huge draw for me. Massachusetts is ranked 2nd in the nation based on health care access and 5th overall for public health¹. As mentioned above, the hospitals in Boston are renowned world-wide and I have had family members spend time in Children's Hospital. In addition, the public-school system is the best in the country. My children will attend the same school district that I went to most likely. There is no need to send them to private school when the public schools are adequately preparing the students for college.

¹ Based on findings from US News Rankings for Health Care Rankings in 2018.

The crime rate is low compared to other large-scale cities like Chicago or Dallas, and even New York. The violent crime rate is 305.3 and has been far lower than the national average of other cities for the past 10 years. Its property crime rate is also very low, with a score of 1291, with the rates being crimes committed per 100,000 people. The top three neighborhoods to avoid would be Roxbury, Roxbury Crossing, and Dorchester. The most common crimes committed are assault and battery and drug related crime.

I see myself living in the South End, Kenmore, or Brighton. The average rent in South End is \$2,362 while Brighton is a far cheaper yet less nice neighborhood. The average rent in Brighton is \$1,847. The apartment I found that works for me is in Kenmore Square, on Commonwealth Avenue. It is one bedroom and one bathroom and costs \$1,850. It is located on the street leading to Fenway Park, and is only a quick 12-minute train ride to the downtown financial district. There is a parking garage two blocks over, although I do not anticipate needing my car as I would take the T everywhere. This cost is also low enough I would not need a roommate.



The typical method of commute from this area would be using the South Station Commuter Rail Stop. The stop has multiple tracks that are available, and the orange line heading southbound would be the best option for me to get close to the financial district,

² Images of the apartment I would rent in Kenmore Square, Boston

as it has a stop at State Street. The train begins running at 5:15 am and runs every 6 minutes. Thus I would be able to find a time that works for me and there would be other ones coming in case I miss the one I wanted to make.

The area surrounding is surprisingly populated in regard to supermarkets and shopping. Luckily, the Prudential Center shopping plaza is only a train ride or a 20-minute walk away. This plaza has high end shopping in addition to five-star dining at a restaurant experience called Eataly. In addition to its restaurant area, Eataly has a grocery section where customers can buy fresh bread and produce. Also, only two streets away from Commonwealth Avenue is a Whole Foods Market. This chain store is a staple in Massachusetts, and despite the quality of the food is worth the price.

There are 3 close laundromats near Commonwealth Avenue, those being Laundro Magic Coin-Op and Dependable Cleaners. Any one of these options would be easy to get to and cheap.

I will continue to be active at my home church in my hometown of Walpole- Saint Mary's Catholic Church. The train ride from South Station to the nearest stop to the church only half an hour and I would be able to see my family and close friends every Sunday. This would be a major part of my life. In addition, growing up I went and helped serve at Soup Kitchens. One in particular that I want to get more involved in is Women's Lunch Place which is a shelter specifically for women. They receive a hot meal and developmental classes and other options like yoga and meditation classes. Very similar to my last organization, Boston Glow is a group dedicated to helping women develop professional and business skills in underdeveloped neighborhoods.

There will be innumerable things for me to do for entertainment and recreation. Most of these activities will happen on the weekend, as I anticipate Monday through Friday being very rigorous and long. I plan on purchasing 20 home game tickets to Red Sox games, the price of these is included in my monthly budget. Spending time at Fenway Park have always been a favorite pastime of my family and I. Another thing I plan on doing is getting involved at a yoga studio near my neighborhood. There are many different studios in the city, and I would probably just shop around to find the right fit for me. On Boston Commons there are also impromptu concerts and different outdoor activities happening on the weekends which I would take part in. In addition, the Brooklyn Running Club is a group of runners who go running weekly to get together as a community and improve as runners and as athletes. Finally, the historical areas and museums around the city are something that I want to get to experience more. In my youth I did not take advantage of these opportunities to learn more and I want to make up for that when I move back there.

Travelling from Boston to my hometown of Walpole would take about 20 minutes via a train ride from South station. The Franklin line takes 4 stops between my apartment and my parents' house. It is a cheap and efficient way to get home.

Next, I created an in-depth budget detailing my costs of living in Boston. The budget is shown in Table 1-1.³

³ This budget was created in Excel from my own findings about different expenses living in Boston. The budget has a running total throughout that shows the ending monthly earnings of approximately \$360.

HOUSING	Column1	Actual Cost	Column2
Mortgage or rent		\$1,850.00	
Phone		\$55.00	
Electricity		\$56.00	
Gas		\$5.00	
Water and sewer		\$8.00	
Netflix		\$34.00	
Laundry		\$8.00	
Maintenance or repairs		\$0.00	
		\$0.00	
Other		\$0.00	
Subtotal		\$2,016.00	

TRANSPORTATION	Column1	Actual Cost	Difference
Vehicle payment		\$0.00	
Uber		\$40.00	
Commuter Rail Pass		\$90.00	
Ferry		\$10.00	
Gas		\$0.00	
Maintenance		\$0.00	
Other		\$0.00	
Subtotal		\$140.00	\$0.00

INSURANCE	Column1	Actual Cost	Column2
Home		\$0.00	
Health		\$700.00	
Life		\$0.00	
Other		\$0.00	
Subtotal		\$700.00	

FOOD	Projected Cost	Actual Cost	Column1
Groceries		\$150.00	
Dining out		\$150.00	
Other		\$0.00	
Subtotal		\$300.00	

TAXES	Column2	Actual Cost	Column1
Federal		\$541.67	
State		\$237.17	
Local		\$0.00	
Other			
Subtotal		\$778.83	

SAVINGS OR INVESTMENTS	Column1	Actual Cost	Column2
Personal Savings Account		\$500.00	
Investment account		\$0.00	
Other		\$0.00	
Subtotal		\$500.00	

ENTERTAINMENT	Column1	Actual Cost	Column2
Red Sox 20 game tickets		\$134.75	
Movies/Concerts		\$40.00	
Other		\$30.00	
Subtotal		\$204.75	

Total monthly income	
Income 1	\$5,000.00
Expenses	(\$4,639.58)
Total monthly income	\$360.42

Table 1-1

Analysis of New York

The population of the entire metropolitan area of New York is 8.6 million, which is very large compared to the size of Boston. There also are unique neighborhoods that feel like individual cities themselves. The largest borough is Brooklyn, which has a population of about 2.7 million. After Brooklyn, Queens and Manhattan are the second and third largest respectively. The five main boroughs have neighborhoods within them that offer different job opportunities and places to live.

The climate in New York City is like the climate that I grew up in. It has a long winter from December to March, as does Boston. The highs however in July only reach an average of 85 degrees. Its location and proximity to water means that it does not get as hot and humid as other places. The winters are the hardest part about living there, as in the summers almost everywhere has air conditioning.

The unique location near the coastline is probably the reason for its high temperatures being lower than other cities. Despite being so urban there are definitely places that make the city feel smaller. The Hudson River is an iconic image of New York. Also, the East River and the Bridge crossing it is gorgeous as well. There are also 5 distinct neighborhoods or boroughs. They are Brooklyn, Queens, Manhattan, the Bronx, and Staten Island.

Based on my starting income of \$55,000, I would pay approximately \$12,000 in percent personal income tax. The Federal Standard Deduction is \$6,000. The New York income tax is \$3000, and the Social Security and Medicare amount paid will be \$4500.

The transportation network in New York City is extremely advanced. There are over 450 subway stations, with 36 different lines running 24 hours a day. The subway stations are easy to find and operate and a metro card is worth the price to ride every day. In addition, the iconic New York taxis are still available. Like Boston however, Uber and Lyft have become extremely prevalent. There are also three different airports- LaGuardia, JFK, and Newark- that offer flights all over the nation that are easy to get to. I have flown out of all these airports before. Finally, the railway lines heading out of the city makes trips to cities like Long Island, Hartford and Boston very easy.

As stated previously, New York is a financial hub. The major industries are financial services, health care, retail trade, and technical services. There are endless opportunities for exploration in the business sector of New York. The largest companies are IBM, PepsiCO, JP Morgan Chase, CITI Bank, and Verizon. Furthermore, New York City is the home of many large accounting firm's headquarters.

Similar to Boston, the New York Health Care system is one of the best in the country. It is ranked 11th overall for health care accessibility and 30th for health care quality⁴. Its public health system and hospitals are some of the largest and best in the country. Despite New York's public-school system being ranked 22nd overall in the country- my children would go to the public schools there. I eventually would move to the suburbs, like Greenville or Woodcliff. There are many prestigious private schools inside the city, but the public-school system is excellent and worth moving out to the suburbs for.

The crime rates of New York City have been dropping for the past 3 years. Serious and violent crimes have gone down two percent. This time last year there were 787 shootings, as opposed to 753 in this year. The efforts from the NYPD are the assumed reason for this change.

I would live in a studio apartment in Queens. The rent is \$2,200 a month and the deposit will be \$2,100. It is 400 square feet and it is a 12-month lease. It is in a nice area right near the waterfront of the East River. I would not have a car while living in New York, as everywhere is accessible by the subway and I would have nowhere to park it anyways. In addition, I would not have a roommate because it is a studio apartment and

⁴ Based on the same study found above for Boston Health Care rankings. See footnote 1.

there is not room for someone else there. If need be, I could move out of this apartment and into one with someone else. I have included pictures of the studio below.



As mentioned earlier, the subways throughout the entirety of New York City making commuting from one area to another easy. I would get to work via a thirty-minute subway ride on the Ditmars Boulevard Station on the N Broadway Express line to Times Square-42nd street. Despite the busyness of these subways during certain times of the year, I anticipate being able to get on a train when I need to.

There are a bunch of easily accessible supermarkets near my apartment. The Trade Fair chain of supermarkets has three different stores nearby. There is also a Key Food supermarket.

Similarly, there are multiple local laundromats I can go to. There is one even called Avenue 24 Laundry and Cleaners. This would be a short minute walk towards the north end of the street.

The large size of the city makes it even more important for me to connect with my community. I would first get involved in the Saint Joseph's Roman Catholic Church. It is in Queens as well. In addition, I would join the Restfull Nights Corp which helps the

⁵ Pictures of possible apartment I would rent in Queens

homeless and low-income people in Queens get a good night's sleep and a safe place to be.

There are limitless things to do for entertainment. I would first want to join the Brooklyn Running Club, which is a group of young adults who run various routes together every Monday throughout NYC. I would be able to interact with people my age as well as get outside and explore parts of the city that I have not seen before. In addition, there is a famous Botanical Garden located on Main Street in Queens. I would love to spend time here relaxing. Queens is also full of cool contemporary art museums. There is also a large park called Gantry Plaza State Park which overlooks the East River. There are bars and restaurants located right on the waterfront looking at the Financial District. Finally, I would switch off between going to Yankees and Mets games during the weekdays. These games are a lot cheaper than the weekend ones and Citi Field in Queens is very fun.



The trip home from NYC to Boston would be easy. There are frequent AMTRAK trains that go back and forth. The ride is 4 hours approximately and I would take Jamaica to Penn Station and then Penn Station to Boston South Station. Once I am in Boston, it is a 20-minute short train ride to the Walpole train stop- right where my parents live.

⁶A restaurant overlooking the East River between Manhattan and Queens

I created this budget below using the same excel spreadsheet from the last one. I inputted the information I got from my research. The 2,100 deposit on the apartment is not included in this monthly budget.

Monthly Income				Total monthly income			
Income 1	\$50,000.00			Income 1	\$5,000.00		
Extra income				Expenses	(\$4,941.83)		
Total monthly income	\$50,000.00			Total monthly income	\$58.17		
Actual Yearly Income							
Income 1	\$60,000.00						
Extra income	\$0.00						
Total monthly income	\$60,000.00						
HOUSING	Column1	Actual Cost	Column2	FOOD	Projected Cost	Actual Cost	Column2
Mortgage or rent		\$2,200.00		Groceries		\$150.00	
Phone		\$55.00		Dining out		\$150.00	
Electricity		\$56.00		Other		\$0.00	
Gas		\$5.00		Subtotal		\$300.00	
Water and sewer		\$8.00					
Netflix		\$34.00		TAXES	Column2	Actual Cost	Column2
Laundry		\$8.00		Federal		\$541.67	
one time Down Payment				State		\$237.17	
Other		\$0.00		Local		\$0.00	
Subtotal		\$2,366.00		Other			
				Subtotal		\$778.83	
TRANSP	Column1	Actual Cost	Difference				
Vehicle payment		\$0.00					
Uber		\$40.00		SAVING	Column1	Actual Cost	Column2
Commuter Rail Monthly		\$127.00		Personal Savings Account		\$500.00	
Ferry		\$10.00		Investment account		\$0.00	
Gas		\$0.00		Other		\$0.00	
Maintenance		\$0.00		Subtotal		\$500.00	
Other		\$0.00					
Subtotal		\$177.00	\$0.00	ENTERT	Column1	Actual Cost	Column2
				Yankees Tickets		\$50.00	
INSURA	Column1	Actual Cost	Column2	Movies/Concerts		\$40.00	
Home		\$0.00		Other		\$30.00	
Health		\$700.00		Subtotal		\$120.00	
Life		\$0.00					
Other		\$0.00					
Subtotal		\$700.00					

Table 1-2

Analysis of Research

The research I did to compare these two cities really opened my eyes to the differences they have. Before, both cities seemed very comparable and hard to choose from. Now, it is clear that Boston is where I would want to be.

The price alone stands out to me that Boston is the better option. After creating my own personal budget for each city, I realized that although everything in New York it seems to only be a few dollars more expensive, those dollars add up. I only would have about \$50 leftover every month approximately, while living in Boston I would have about \$300. I also did not even add in the \$2000 deposit I would have to make for my studio in New York. That would come right out of my first month's salary.

Also, the nightlife and different entertainment options in Boston are much more suited to my lifestyle. The Red Sox games are very cheap and easy to get to from my apartment, and the city is small enough that I could get anywhere for very cheap on a whim. However, in New York it is hard to get all the way across the entirety of the city and the boroughs all have distinct feels to them. I am looking for more of a cohesive city.

Despite these factors, working on or around Wall Street has always been a dream of mine. The research I did on the financial district in Manhattan really showed me how powerful this city is on the global business stage.

Finally, I would choose Boston because of the proximity to my family. It would be extremely affordable and easy to get home whenever I felt like seeing my parents. I would also be able to see the people from my hometown that I have not seen a lot for the past 3 years. It is a familiar city and somewhere that I want to hopefully grow in. I would love to move back to Boston.

Case 2: Excel Certification



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

Meghan Foley

*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
13847770*

Tim Vipond
Chair of the Board

Scott Powell
Director

Lyn Dalton
Director

Oct 1, 2019

Case 3: Analyzing the impact of the European Union on the United Kingdom through
Brexit the Movie

The research for the British Exit from the European Union was interesting and surprising. I had never thought about the many repercussions that will occur no matter the outcome of this month. Whether Britain stays or goes, it will affect Europe and the rest of the world for the foreseeable future. This issue is dominating global news and I see new headlines almost every day. My uncle is from Northern Britain and has always held the opinion that it was best for Britain to get out immediately. He voted to leave in the 2016 elections. This case however made me examine Brexit from both points of view.

The movie presented the exit in a positive light. It focused on the different economic benefits from leaving. It also illustrated the different failings of the European Union. Having had no previous knowledge of what it meant to even be in the European Union, it was helpful to get background of the working and policies of it.

Doing research for this topic was more difficult than for the first case. The information was clearly biased from whatever news source I tried to get information from. This fact is the crux of the issue: everyone has a stake in this vote. Therefore, everyone is very strongly opinionated.

I learned a great deal about the impact that individual countries and economies can have internationally. The world is more interconnected than ever thanks to technology and new trade agreements. The impact of different forms of democracy and what it means to not have a say in what happens to your business is something that is now more prevalent in my mind. Like the KMPG tax partners said, the results of Brexit will impact all the contracts and agreements made with British companies. The business world is extremely dynamic and heavily linked to political events.

Summary of Brexit: The Movie

The movie we watched in class, *Brexit the Movie: Martin Durkin Crowdfunded*, primarily followed the different economic aspects of the European Union and how it has affected Britain. Most of the findings showed that the EU has been bad for Britain. The economic impact of such a large trading bloc as well as the political structure of the European Union were discussed in length. Despite the United Kingdom voting in 2016 to leave, there has been no firm action taken. That will change this month, when it technically should become effective on October 31.

The argument for the moving forward of Brexit focused mainly on the economic and financial aspects of the European Union. The European Union was formed in 1993, however it originally formed as the European Economic Community, to which Britain was granted access in 1973. This union contrasts with the long history of Great Britain which is marked by its independence, both physically from Europe and its independent stance in foreign affairs. Early 1900s Britain was extremely prosperous, with almost zero regulation and the economy booming from being ahead of the curve in the commercial and industrial revolution. World War I however put a halt to the growth from the previous century. The government took a larger control that would only continue to increase after World War II ended. It quickly became the most regulated economy in Europe with price fixing and other controls in place. This resulted in national shortages and the steep rise in the price of coal. Germany however, despite being the loser of this war, ended up growing immensely after the end of World War II. Their almost miraculous recovery was attributed to its new economic system. The government issued

new currency, as well as deregulated the market on a massive scale. They removed barriers from entry and created a free market where the best companies could thrive and create superior products.

The economic miracle that happened for Germany is juxtaposed to the economic slump that Britain has had since joining the European Union. The different quotas, tariffs, regulations that the EU officials pass down from the capital in Brussels make the economy extremely inefficient. Despite looking like a free market, it creates only problems within. Outside markets cannot successfully branch into Europe without the EU passing measures that limits their ability to sell. Despite these acting as aids to the small businesses operating within Europe, they do far more harm than good. The consumer does not get the best possible product. In addition, weak and unproductive companies are protected and not pushed to improve production. Thus, stagnation occurs, and the consumer gets a worse product for a higher price.

Furthermore, the government and political structure is another major reason the makers of the movie want Britain to get out of the EU. In the capital, Brussels, there are seven ruling bodies. The European Parliament and the Council of the European Union create the legislation. There are over seven hundred members of Parliament who are elected by the citizens of the EU. However, the citizens have very little knowledge of who their representatives are. The people of London and Brussels had no clue who the three Presidents of Europe were when shown a picture of them. In addition, the people of Britain and the rest of Europe have no way of combating the laws and regulations created by this legislature. The movie highlights how this is in direct opposition of Britain's Magna Carta. . Since its creation in 1215, it has been a symbol for individual rights and

the power of justice. Despite not being able to be interpreted for today's legal issues, it still is prevalent in its ideals and themes. The people have no way to counter or argue with the rules passed down to them, and this is unjust. A fake image of democracy is what the EU puts out to the world, yet the people have no real way to choose their representatives or make the change that is needed for their specific area. A way that this issue is highlighted when Martin interviewed the fisherman who has lost basically all his revenue from the quota system created by the EU. He explained that he had no way to combat the law that limits his ability to catch fish and sell it in his local market. The selling of the fish in this area was good for everyone involved, but there was no way for the Parliament to see the personal and smaller scale side of the impact of these quotas. The EU, despite proclaiming its desire to bolster all of Europe, is in fact too big to adequately understand the needs of the individual countries and people.

Opposing views on Brexit

Despite the overwhelming evidence given in the movie, the country's vote was still razor close. Almost half the people in the country voted to stay in the European Union. The divide has caused incredible strife within the country and in the entirety of Europe. When the vote occurred, it seemed as if everyone was on edge- my own family included. As previously mentioned, my uncle is from a small town near London and he was talking constantly about the vote. The different reasons why people want to stay focus on the jobs created by the European Union and the ideological reasons why Britain entered this union in the first place.

The argument to stay in the European Union is mainly based off the economic benefits that Britain gains. Upon researching the benefits that Britain has, I found that

over 3 million jobs come from trade within the EU's borders and over 700,000 more will be created by the year 2030. In relation to this fact, if Brexit occurs then over 1 million jobs will be lost and wages will most likely decrease by 38 pounds a week. The small companies that are fighting to stay in the European Union are mainly focused on this issue. Having been propped up and helped for the past decade, the introduction of a whole new market is many are wary of. Similarly, the large corporations that are subsidized and supported financially by the EU want that money to keep coming in. The average British consumer would be affected by the change in prices for petrol, energy, flights, trains, and food. Likewise, the freedom to travel for cheap holidays anywhere in Europe would be a luxury that would no longer be available.

The repercussions of leaving would also be political. It is undeniable that Britain has greater global impact being a member. The powers of the US, Russia and China are offset by the weight of the 28 different countries apart of this trading bloc. Despite Britain's influence on the United States in our long history together, it would not necessarily be considered a world leader on its own. The size of its economy would lessen its global impact, and it would lose lots of leverage that it gains by being linked to the EU. In addition, the EU protects Britain from cyber-crime, trafficking, and terrorism. The criminal justice system the EU has in place operates across all borders and as one official said, Britain relies on their efforts "24/7". The reasons why the UK entered this union may not necessarily be applicable in the need for economic help, but the ideological reasons are still the same. Europe is undoubtedly stronger together, and the link to Europe helps the British people retain their identity while still being able to travel and branch out easily.

Impact of Brexit

The deadline for the Brexit deal is approaching fast. As stated earlier, the British people voted in 2016 to leave the EU. Since then, there have been two Prime Ministers that have tried and failed to negotiate the terms of the exit. Boris Johnson now must figure out what the terms would be before October 31. Even sooner however, the summit of EU leaders is on October 17 and therefore if a deal is to be made and stamped on, it must be completed on that date. So, to simplify these dates, if Boris Johnson cannot get a deal made before October 17, he will have to ask for an extension of the October 31 deadline to work out a new agreement. One of the main struggle points between Britain and the EU is the Irish border. Johnson has emphasized a new for an “Irish Backstop” that will create custom checks from the area of North Ireland and Ireland. The European Union and the United Kingdom initially agreed that there should be no new checkpoints created as a result of what happens with Brexit. The EU proposed a strict Northern Ireland backstop, in which Northern Ireland would remain in the EU’s market but the rest of the United Kingdom would be free to create their own deals. However, Boris Johnson says he is extremely committed to ending the backstop entirely. Similarly, Irish officials have been staunchly against the reintroduction of a hard border system. They argue that this will be in direct opposition to the free movement of goods and people that the EU is supposed to provide. It will be cutting off Ireland from the rest of Europe. It appears highly unlikely than any deal will be finalized by these dates. There are innumerable obstacles and people to please, as it needs to pass EU and British Parliament. Unlike the

United states which only has two prevalent parties, Britain has several which need to come together on this issue.

If there is no deal that can be agreed upon by October 31, and Boris Johnson does not request an extension, there could be a no-deal exit. The United Kingdom would leave effectively immediately and disband all the tie to the markets of the EU. There is also a way that Brexit can be cancelled by a small legal clause called Article 50. If this article is revoked, all proceedings will stop. The Liberal Democrat party has said publicly they will attempt to use this method. There is clear uncertainty of what is going to happen within the month. Whatever happens, it is sure to affect all of Europe and the rest of the world.

Case 4: Home Depot 10k Analysis

The Annual Report for Home Depot taught me a great deal about what truly goes into a company's financial reporting behind the scenes. Researching and reading the different background information that is included in the reports was eye opening to see what is disclosed to the public. I learned two different things: the importance of footnotes and understanding where revenue is generated from.

Initially, the hardest part of the case was finding out background information on things like customer information and the different suppliers they used to source their inventory from. I learned a lot from trying to find information that gave background details besides just the numbered amounts of inventory and sales. The related footnotes and disclosures after every section held a large amount of material on what they expect from their suppliers and how they go about keeping track of their international operations. The section labelled Item 1A: Risk Factors had a wealth of information about the different issues that they can foresee and what they have done as a company to fix these issues. For example, they list the different ways they could have problems with competition and their supply chain. Had I not delved deep into other sections besides the financial statements, I would not have learned any of the more material information that pertains to Home Depot and its market.

In addition, the main part of the case delved into where Home Depot got their revenue and cash flows from. At first glance, I thought that most of the information that was needed would be found on the balance sheet. However, those single numbers did not necessarily provide any background on where the indicated amount came from. Looking

at all the different financial statements in depth and seeing which accounts translated across them all was very helpful in providing context.

Nature of Home Depot's Business

Home Depot focuses on selling different home improvement tools as well as providing services to their customers such as installation of parts and renting equipment. To generate profit, they sell their products and offer services to a wide variety of customers, which will be introduced in depth later. The major of their revenue comes from their sale of merchandise. Their fiscal year ends on the Sunday that is nearest to January 31. Thus, their fiscal year ending in the past has ended in both January and February.

Auditors

The company is audited by KPMG in Atlanta Georgia. They have included a Report of Independent Registered Public Accounting Firm in the 10K form for Home Depot. The auditors assert that their financial reporting is in conformity with GAAP and presented fairly. KPMG has audited Home Depot since 1979, so they know this market sector and this company very well.

Assets

The assets on the balance sheet were standard for what is seen on most merchandising companies. Under the assets section, the current assets are found as cash and its equivalents, receivables, merchandise, and other current assets. Their cash and cash equivalent are what the company has on hand for cash and they equaled almost two billion dollars. Their receivables are accounts that the company expects to collect payment on in the future. This also totals almost two billion dollars. Their inventory is

labelled merchandise inventories, as most of their revenue comes from the selling of fulling made products- thus they are a merchandise company. Their inventory has increased in the past year, while their total assets went down five million dollars.

Liabilities

Like the assets section, the liabilities section of the balance sheet has normal liability items that are seen in accounting classes. First, their short-term debt has gone down since the past year. Short Term Debt is debt that the company has that will mature within the coming year. Their Accounts Payable balance has gone up, and this is probably in relation to their increase in merchandise inventory that they have on hand to sell. In addition, they have a unique Sales Tax Payable account listed underneath accrued salaries. This account is included separate of regular tax payable because Home Depot buys some products for retail and thus incurs sales tax. Their Deferred Revenue account holds the revenue that they have received but have not necessarily earned in truth. These are advance payments from customers. They also include their current portion of long-term debt in their current liabilities section. Long term debts is also listed, but the short term portions of this debt will have to be paid in the current year.

Equity

The equity section of the balance sheet holds five different accounts. The first, Common Stock, holds stock that the company will sell out to investors to gain ownership and receive dividends. They issued almost 5000 at the par value of \$0.05. The next account, the Paid-in Capital account, shows the amount paid by investors during a period in which they receive stock above or below the market price or par of the stock. The Retained Earnings account is the amount leftover from net income after dividends and

other necessary items have been paid. The Retained Earnings account went up almost \$6000. The accumulated other comprehensive loss holds the amount that the company has lost from unrealized holdings. Unrealized holdings occur when the company loses money on their held assets through their decrease in net realizable value based on market prices. Finally, Home Depot bought 600 of its own shares back in the form of Treasury Stock. The total amount of stockholder's equity is a negative \$1878, which indicates that they have either paid large dividend payments or bought a large amount of their own stock back. Both statements are true in this case.

Customer Base and Policies

The customer base of Home Depot is very diverse. There are two main consumer groups that Home Depot highlighted in the report that they specifically market towards. The first group are called DIY Customers. These are customers that are regular people who are buying products that will use to finish their own home improvements. Usually, these customers finish these projects on their own and often with the help of the clinics and workshops provided by Home Depot. Next, the Professional Customers are those that are trained carpenters, contractors, and others. Home Depot has created a special strategy to help make these customers' jobs easier through diverse delivery options and an online experience for the trained professionals and in their jobs. The majority of their revenue comes from sales of merchandise to customers, as indicated before. They abide by GAAP in all their revenue recognition policies. Thus, they recognize revenue when the corresponding sale or service has occurred. In addition, they have adopted ASU standard 2014-09 as of January 2018. This adoption occurred later than 2014 because of the retrospective transition method. This update requires them to recognize their allowance

return account on a gross basis rather than net. Currently, they applied this standard to contracts not finished before 2018. They also have declared that this standard has not changed their financial position at all. In addition to the revenue they recognize in the United States, they also have eight billion dollars in net sales outside of the United States and they have long lived assets of two billion.

Suppliers and Costs of Selling

As retail is a huge part of their business transactions, Home Depot relies heavily on its suppliers. Their suppliers are obligated to make sure all products follow codes and regulations as well as adhering to their standards of social and environmental responsibility. In addition, Home Depot acknowledges that their international suppliers can be subject to trade wars, political strife, and other unforeseen consequences. They currently have suppliers across the United States as well as China, India, Southeast Asia and Europe. The majority of the suppliers provide products and not necessarily services, as those are provided by Home Depot itself to its own customers. To create this supply chain from suppliers to retailers, there are always costs involved. In the cost of sales, there is the actual cost of the merchandise as well as the cost of transportation from vendors, as well as shipping costs, and depreciation of their sourcing.

Operating Expenses

In the notes to the financial statements, the results of operations detail the different expenses that Home Depot had. First, they incurred 19 billion in selling, general and administrative expenses. These expenses are crucial to creating revenue. Selling expense goes towards the sales department and marketing the products that Home Depot has to customers. This directly affects their revenue. Next, General and Administrative

applies to those expenses that are not directly related to sales but are necessary to continue operations, like those who work in office buildings with rent, utilities, and salaries. The next account is depreciation and amortization and it increased by \$59 million. This expense covers the depreciation, or loss of value, of assets like equipment. The percentage of net sales went down 0.01 percent, and this is due to a positive sales environment. This expense is not directly tied to revenue but is necessary to have an account that shows the loss in value of these large assets. In this way, it shows how revenue comes from assets and which contribute the most.

Changes in Revenues

Upon reviewing the financial statements, it is obvious that their sales have gone up every year since 2017. In 2018, they increased their net sales to \$108 billion. Their earnings followed the same trend. Their retained earnings increased six billion dollars in 2018 from 2017. An article found in Forbes magazine helps to explain why this was happening. In the past four years, Home Depot's stock price has increased 60 percent. The analysts found that this huge increase was related to increases in total revenue, net income margin, and the number of shares that they have been steadily buying back.

Cash Flows

Home Depot had a positive cash flow from operating activities. Their net income totaled \$11,121 and their net cash from operations totaled \$13,038. Since 2017, their net income has increased almost 30 percent to the 2018 final earning. A reason for the operating expense increase is due to the large decrease in accounts receivable. Their accounts that they had been waiting on payment from have finally paid their bills. Thus, they have generated more cash from operations in that aspect. Second, they have

decreased their deferred revenue account. This also shows that they completed services or duties that had earned them revenue, but they had not recognized yet. In addition, they had a sharp increase in accounts payable. This seems counterintuitive since accounts payable is a liability, but Home Depot taking longer to pay its bills will mean that they have more cash on hand than if they paid them quickly.

Use of Estimates

As all companies do when preparing financial statements, Home Depot uses estimates and the educated judgements to provide data. To get their inventory amount, they rely on valuing it from estimates on the different markdowns and markups that will occur in a period. They also base their long lived assets on estimates based on fair market values.

Case 5 : Analyzing the effect of current economics on politics through the knowledge of
Thomas Sowell

The case was the most unique one we have done so far in class. It ventured outside of the small scope of just accounting related topics and focused on the business world in a broader sense. The beginning of class we wrote independently for about thirty minutes on two different topics, one relating to the electoral college and the other to the minimum wage dilemma. Then, we moved on to watch an interview with economist Thomas Sowell. The interviewer asked Sowell different questions about assertions he has made in his books. Sowell then explained the reasons why he felt this way about the political system or the economy.

I learned a lot more than I initially thought I would. Being able to reflect deeply on where my opinion lies on certain issues at the beginning of class was very helpful. I learned that I have not truly finalized where I am on the political spectrum and I plan on doing more research. The main reason I feel that people my age are not invested in politics is because they do not know enough about the issues to form their opinion. This case really showed me that I need to be keeping up more with the economic aspects of politics. I also really enjoyed Thomas Sowell's interview. He followed an uncommon path to get to where he is today, as he dropped out of high school and was a Marxist for a short period. He then went on to Harvard undergrad and Columbia for economics. Largely, he felt that the government did not have the best interest in mind for the people. According to him there are two visions of life, the constrained and unconstrained. I learned that the constrained vision feels that we rely on processes and the will of the institutions to help up, we cannot help ourselves it is reality holding us back. However, the unconstrained vision feels that the fundamental issue is not man but the institutions

itself, good things happen on their own but bad things happen because of the civilization we created. Sowell's statements really resonated with me and showed that it is important to do your own outside research when it comes to finding where your opinion lies.

I agreed with the majority of what Thomas Sowell said. The main point he made was that everything needs to be backed up by evidence. There are many politicians that make broad statements and have big ideas to fix things, but he highlights that there is not much concrete evidence to prove that these would be effective. The interviewer pointed out some quotes from politicians made recently, and he responded to each by asking where the evidence for these ideas and accusations is. In today's volatile and confusing political climate, there can sometimes be very little evidence shown on the news. Harsh remarks and partisan fights make it hard to find the truth in what is truly going on. In addition, I agreed with his statement that "lifestyle choices have consequences," when he was talking about what can be done to fix the disparity in the United States between the rich and the poor. The power lies in us to fix our life, as we can choose to dedicate ourselves to things that will enrich our lives, instead of staying in a bad situation because of our inability to change. This statement was the major point I connected with.

There was not much that I did not connect with during his interview. However, in the constrained vision the government is a surrogate decision maker and the people cannot be changed. I did not agree with this lens of looking at the world, because I firmly believe that it is possible to change yourself at any time and in changing your outlook, also changing your situation. I cannot fathom the idea that we as citizens have no true ability to make a difference in the institutions that govern us.

Case 6: Analyzing and Understanding Regulation Fair Disclosure

This case was very eye opening especially after taking Intermediate Accounting last semester. I really enjoyed getting to see some of the concepts I had learned in my previous semesters take place in the real world. The first two chapters we learned about in that class deal with the purpose of reporting financial information and what constitutes fair and relevant reporting and what does not. The impact of lying or falsifying these reports became evident with the articles of this case.

The case mainly discussed the different viewpoints and arguments that were catalysts for the passing of Reg FD. I knew about the catastrophe of certain accounting firms in early 2000s, yet I did not know the full backstory and the many different reasons that this happened. In addition, I did not know how lax the rules were for analysts and other personnel with insider information. The case of Mr. Jack Grubman and his fraud was just one example of how analysts were able to mislead investors with ease.

I also learned about the impact that social media can have on the financial world. I had never considered that certain CEOs and CFOs would use their social platforms to talk about business information. While the Hastings Rule allows them to put information on their profiles as long as it is not restricted, this still seems unethical to me. Some people may not have social media accounts or access. Although this group is probably small, it still seems unfair to post information somewhere that some people do not necessarily know to check. In my experience, I have never logged onto a social account and gone to check on certain companies' sites to see what they say about their stock prices.

Regulation Fair Disclosure is a rule passed by the Securities and Exchange Commission that levels the investing playing field. It has helped to prevent insider trading and selective disclosure. In simple terms, it makes it illegal for issuers of stock for publicly traded companies to disclose material information, that is not normally disclosed to the public, to a select group. If this does occur however, Regulation FD mandates that the information be given to the public. If the release of the material information was intentional, such as an earnings call, then the information must be disclosed simultaneously. However, if it was unintentional, it must be done promptly. Those are the two main differences with dealing with the disclosure of nonpublic information. For your company, this rule means that if your CFO makes a call with analysts to discuss earning reports, this must be recorded and made available to the public immediately. This is often done on the company site. It also means that employees must be made aware of what they can and cannot tell others about stock pricing and forecasts.

Regulation FD exists for a few different reasons, the most important being that public investors-regular people-were being scammed by analysts making conjectures off ‘insider info’ that was not made known to everyone. One main incident was the fall of WorldCom, in which an analyst named Jack Grubman attended private board meetings and used his knowledge to publish optimistic and ultimately incorrect reports to the public. This made the price of the stock go up. The owners with knowledge of issues with WorldCom were able to sell their stocks at extremely high prices thanks to Grubman’s help. Meanwhile, regular investors got scammed. In addition, the Regulation was created thanks to an outcry of public support. In early 2000, thanks to tips from the

website the Motley Fool, individuals sent in thousands of letters of support for the passing of Reg FD. This was a huge sign that the elite Wall Street investors were no longer in charge, the majority had spoken in favor of the truth being published.

In my opinion, the post by your CEO did violate Regulation FD. His Facebook page, although assuming it is public, is not accessible to the public in a way that they could access. There This is not a normal way of communicating such insider information such as customer orders, as this will be an indicator of how well the company is selling outside of just the financial statements. I think that social media, while omnipresent in this age, is not an appropriate way to present information as not everyone who is looking for information on stocks will check social media for it. Some people may not even have social media.

After doing more research about the company's post, I realized that this action on the CEO's part was legal. The situation wherein Elon Musk tweeted about his company's funding, and stock price went up in response, is very similar. Musk did not get in trouble for doing this, however his team had not been made aware of the new developments he was tweeting about. Although questionable, as some may not have access to social media, the Reed Hastings rule allows these posts to take place. The rule declares that social media use is suitable for communication-if access is not restricted. After doing some research, I found more specifically that companies can use any social media platform as long as investors have been told and which social media they plan to use. Thus, the company's CEO will not be in legal trouble because of his Facebook post.

Case 7: Tax Case

In this case, we delved into two popular topics right now- taxes and YouTube. The spring is always especially busy with taxes being filed, and in this digital age children can earn money on their own from channels and pages and the advertising that comes with that. We paired up in groups of two for this project and learned a lot.

The main thing that we learned was how complicated tax law can be. In order to write these two emails, we had to go back and see what Mr. Smith was in fact liable for and what he was not. There were a lot of hoops to jump through to find out that he was liable for her filing, although she was required to do so. There was a question of whether he was going to be in trouble for her not filing. We found that thanks to the “Kiddie Tax,” he was required to do hers as she made an excess of \$8000.

We also dealt with calculating how much he was going to owe back to the IRS. He owed in full the amount that he had not paid for the past 3 years. In addition, he was going to have to pay penalties for the months, and in this case years, that he had failed to file for her.

Finally, we had to draft emails to write to both the Partner Group that he is a part of and the actual CFO Mr. Smith himself. We wrote in more detail to Mr. Smith about what he was going to owe back. We also explained in more simpler terms to him what the issue had been and what we had done wrong on our part as his employee.

Partner Group,

At a lunch meeting today with David Smith, our discussion turned to his family and I discovered that there is a potential issue. Mr. Smith told me about his daughter, Emma, has been making a taxable amount of earned income for the past four years. I came to the realization that there are ramifications for Mr. Smith since he is liable for his daughter's tax returns. This means that he will be responsible for all penalties associated with the late returns for each of the last three tax years. The penalties for unpaid taxes will be roughly \$19,458 based on the most recent interest IRS interest rate and the assumption she made \$150,000 per year. The late filing penalties will total \$27,000 based on the same assumption of income as well as the maximum 25% of tax owed penalty for late filing. The total penalties will be \$46,458 that Mr. Smith will be liable for.

Mr. Smith

After our lunch today, I realized that my lack of knowledge about Emma's YouTube has created a problem for us. For the past 3 years, she has been receiving earned revenue from advertising and unearned revenue on the money she has put away in the bank. Although it is not your duty to file for her, as she is 14, you will still be liable for the 3 years of missed taxes that she herself has not paid on her earnings. Luckily, your own tax return wherein you claimed her as a dependent is fine. This is because you are still paying for her food and living and other needs, she just has income outside of that. However, you will be financially liable for filing her taxes. This means that for every year, in this case it is 3, you will be assessed a fee for filing late. This will be a charge of 25% of their

taxes owed per year. In this case, that will be about \$9,000 per year. In addition, there is a penalty for late payments. This will be about \$19,548 for the past 3 years. In total, worst case scenario you will pay \$46,458 total for the 3 years missed. However, as upsetting as these circumstances may seem, all you must do is pay back what you owed originally plus the penalties assessed. It would have been a worse situation if the IRS had come to us originally and wanted to audit your statements. This just needs to be taken care of immediately and the 2020 taxes need to be done correctly for her.

Sincerely,

Meghan and Christian

Bonus: Emma's Army

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Case 8: Blockchain and Monopoly: Analyzing Transactions in a Complex System

This case was the most confusing and chaotic of all the cases thus far. After completing the game in class, I was curious on what blockchain was being used for in the business world currently. I had never actually heard of it before and was therefore pretty confused on its real-world applications in class. I found a really interesting article on BlockGeeks.com that detailed the different aspects of what it is and where it is being used. The three main aspects that make blockchain so unique are its transparency, decentralization operations, and its inability to be tampered with.

The case made the complicated dynamics of blockchain a little bit easier to understand. At first, the need for the runners was not apparent. However, as the issues of the beginning were worked out, it became obvious. There were so many transactions taking place at one time between different players in different states that a constantly updating ledger was needed. One ledger was just not fast enough or accurate enough. Having those side ledgers always made the accounts and properties be accurate. This essentially is the core of what a blockchain is- a constantly updating and decentralized database for transactions. In my future career, this will surely impact the way that businesses operate in the near future. Companies like Uber and Airbnb will certainly be affected, as the transactions can be linked between two individuals without the need for the third-party company negotiating it. Much of the research I did indicated that service industries will be affected the most. The blockchain makes it possible for the internet to hold all the information between two parties exchanging services. In my work, this will impact the way we audit companies and individuals, as much of their information will be

included on this blockchain. I am sure that this will pose many new problems for the revenue recognition and revenue in general for companies.

. As a business manager, I had the easiest part to play in this “game”. After getting the monopoly game pieces out, we were all assigned different parts to play in the blockchain game. There were the auditors, the big mama and papa, the runners, and the managers. Being the manager, I actually played the game of monopoly with my group of 7 members. We were part of the 2nd state- our group however still had to interact with every aspect of the chain. Whenever one of us landed on a space, we had to check with the runners to see if anyone in the other states owned that space yet. If they did, the runner wrote down the amount of rent owed to that person and paired our individual key number with the person who owned it. For my part, I only wrote down that I paid rent to someone. However, if no one owned the space, the player would go up to the big mama or big papa who controlled the ledger which had all the properties for purchasing. The player would ask how much the property was and a runner would be there to record the transaction price and property, and the big mama and papa would as well. This way, there were three places this transaction would be shown. The main ledger with the big mama, the runner’s ledger, and the player’s ledger would show that the property was owned and paid for.

The biggest obstacle I faced after class was over was grasping what a blockchain did differently than regular transaction recording. I had to read multiple articles before the concept starting to click. The first articles used bitcoin as an example, and this cryptocurrency made the conceptual aspect of blockchain more confusing. The article on BlockGeeks however broke down the concepts easily. The blockchain is an example of a

decentralized system, which means that all the data is not located on one singular ledger or spot. Anyone can interact and change and update at any point- therefore information is more likely accurate. The main issue I was curious about was the fact that our information was in a public place where anyone can access it. However, the transparency aspect of blockchain makes it so each user has a unique and complex public address. The real identity is hidden behind this address. Finally, it impossible for the blockchain to be forged or fixed. In the business world, this means that it will be infinitely harder for people to lie about the books. This aspect of blockchain was more complex to understand, but it shows impactful this new system will be for auditing and security.

Case 9: Interview Case

Being at home during this uncertain time and dealing with interviews for firms and classwork has been difficult. This case put in perspective everything that I have been working for at Ole Miss for the past three years. I interviewed my dad's close friend Patrick McGrath, who is a salesman for a technology company in San Francisco. He has worked all over the United States- in New York City, Boston, Atlanta and has travelled the world doing sales. My dad and him both work in sales, however for different companies. They bonded over their love of conversation and Boston sports teams- and he is my sisters godfather. I have known him for most of my life- however this interview opened my eyes to what his life was like before he met my family.

I learned a lot about the importance of listening to what makes you happy. He emphasized that his career has been something that helps put food on the table for his family-but his passion has always been his family and friends. I enjoyed getting to talk to him about this-as my own generation can be somewhat career obsessed. He loves what he does but it is not his whole life. However, he did give me a lot of helpful tips for when I start working for a firm. He emphasized how important it is to have something that motivates you every day- such as working for a vacation with your family or a new house with your partner. For him, his motivation was always his high school sweetheart and making sure their future was secure financially. I really loved listening to him talk about his passions in and out of the workplace. It helped me view him in a completely different light than just as a friend of my dad.

Patrick McGrath grew up in a small town outside of Hartford Connecticut. After college he moved to Boston where he lived there until his first daughter was born at 32. He became best friends with my father after meeting him in the city when they were in their late twenties. Growing up, Pat had a tumultuous childhood. His younger brother was very rebellious and caused a lot of stress for him, especially after their parents divorced halfway through Pat's junior year of high school. His father only wanted him to attend the state university- UConn- so he was forced to pay for his college by himself. He spent two years at the local technical school in Waterbury CT, and then was able to afford to go to Keene State College in New Hampshire. He spent three years there and worked incredibly hard. He was not a normal college student- he helped the green's crew with landscaping and was a night attendant at the dorms. Working these odd jobs around campus allowed him to be able to afford living there without help from his family. Despite attending these schools, he still did not know what he wanted to pursue as a career. He went back home for a year, and while at home he took standardized states for basically anything imaginable. He took bookkeeping certification tests and even almost became a state trooper. He got lucky one day however and a friend of him mentioned a job at John Hancock Insurance in Boston, where he would work as a sales rep there.

Thus, he was thrown into the world of sales by jumping at an opportunity to get out of Connecticut. While at John Hancock, he got to see firsthand what being a salesman long term could be. He went into detail with me about how it was at this first job that he realized the fundamentals of sales. He talked about how important it is that the customer is always comfortable and feels like they are taken care of. He also said he learned the

importance of listening- whether that was in company meetings or with the customer. Everyone likes being heard he said- and that endears a person to you. They are more likely to give you their business. After John Hancock he moved to an upper sales manager position at Verizon where he worked for over 10 years. There he learned about loyalty but also about doing what is right for your own career. After about 9 years there he realized he was not going to be promoted any further, however he loved the company, so he struggled to leave. Despite this, he realized that settling for a job beneath his abilities was not going to make him happy or enough money to provide the way he wanted to. So, Pat left that job for an ambitious job based out of San Francisco. He commutes out there every three weeks and now works remotely. It is different than any job he has had before- he works for a startup as opposed to an insurance giant or a global cellphone company. When I asked for advice on starting my career and what path I should be open to pursuing, all he said was to “start now”. His biggest regret was not starting to really focus on his course until he was in his late twenties. He felt he could have either retired or been more comfortable now had he started planning and working at what he wanted when he was 21 instead of 27.

He did not have many regrets, however. He is a family man- the proudest achievement of his life was not being salesman of the year at Verizon or getting to work in a beautiful city such as San Francisco, it has been his family. His family and my family go on vacation together every year, and he said that having a job where he can spend as much time with his family is why he still is happy doing what he does. It is all for his family. Something he does worry about however is having a financially stable retirement, and he still has a daughter in high school, and he worries about paying for her college

while trying to retire. When I asked about what a worry is for my generation he echoed a similar sentiment- that our social security system is going to be completely bankrupt when it comes time for me to retire. However, he is an optimist at heart. He lit up when we talked about his children and wife. He looks forward to more vacations with my family and getting to retire with his wife Maryellen in South Carolina.

Case 10: Interview with a senior accounting major: Finding out what makes an internship
successful

This case was very helpful for me as I navigate through this decision process between different firms. I have decided to work in New York City, and hearing about Grant's time in Boston was extremely beneficial. I have heard so much about internships in southern cities and southern firms and I was glad to talk to someone who actually had experience in a northern city that is somewhat comparable to New York.

Grant was extremely passionate about his internship and what line of work he wants to go into-which made our conversation very easy and even fun. I have noticed that passion for work really makes any accounting topic fun. Dean Wilder taught my intermediate class last fall and his similar enthusiasm made every class interesting even though the topic was so difficult. My interview was enjoyable and helped me with my decision.

Something I really took away from this interview was the importance of finding value in the work you are doing. The work he was doing was unlike anything he had seen before and he was able to push himself to learn differently and find new ways to apply what he had learned in the classroom. The work he was doing was impactful and rewarding, even though the hours were long and rigorous. The long hours were offset by genuine interest in what he was doing. I hope that the firm I am able to intern for helps me find the same curiosity and willingness to learn more as PwC did for Grant.

My interview with Grant was extremely helpful and informative-more so than I thought it would be initially. Grant Rudow is from Minnesota; however, he is currently

living in Jackson Mississippi. I was excited to hear that he interned for PwC in their Boston office. My dad has worked with several partners at that firm throughout his career. Grant worked in their CMAAS group- also called Capital Markets and Accounting Advisory. Initially he expected this internship to be similar to deal advisory, but he dealt with a lot of IPOs and complex accounting

At first, I did not know what CMAAS was. He explained that it dealt with Mergers and Acquisitions, IPOS, Revenue Recognition and Complex Accounting, in general- problem solving. PwC's clients are large Boston area companies that I recognized instantly, as well as larger international corporations. The first five weeks of Grant's internship focused on IPOs for Boston companies. He did a lot of filing and proofreading of company's mergers. Despite the rigorous reading, the work was interesting and different than he expected. A lot of the filings and documents that he proofread-although tedious at times- were very important and he was able to show his knowledge to partners. Examples such as the new revenue recognition standards and change in control during vesting periods were things he worked with every day. He became an expert per say in one area of accounting and was able to provide different areas and branches of employees of PwC with his knowledge.

The last six weeks he moved to work with complex accounting. He worked with more international companies and dealt with FASB in depth. Grant explained how intermediate accounting does a good job at explaining conceptual problems-but applying it in real life is a whole different story. The partner he worked closely with was very knowledgeable and confident in his work-which was inspiring and cool to see as an intern. He learned a lot about how to research in both sections- this part of accounting is

like law. Grant even went through word for word of contracts that were passed between companies. Something specific that he got to deal with a lot was virtual power purchase agreements, thus he was able to see how complex topics like how to account for something that isn't making any money for a company.

When I asked for any advice he had at the end of the interview, Grant told me how great the partners he worked with were, and to not be intimidated by anyone. Most of the people he worked with were only a year older than him and everyone was willing to help and work together. He also reiterated what I have heard many times- that you must have a good attitude and be able to have a conversation. Many of his friends in the office he met at firm happy hours, and he emphasized being open to meeting anyone and putting yourself out there. He plans on going back to get his Master's degree at Ole Miss this fall- and working for PwC in Boston afterwards. He spoke extremely highly of the firm and the people he worked with and it made me even more excited for my internship next winter.

Case 11: Analyzing the fraud and corruption that led to the 2008 financial crisis

Throughout my time at Ole Miss, I have learned a great deal about the 2008 financial crisis in my finance and accounting classes. We have even talked about it in my management electives, to show how bad management and leadership led to such a fall. This case delved deeper into the fundamental issues in our financial structure that caused this crash to happen.

The movie was extremely interesting and I actually enjoyed watching it. There were moments that I was amazed at the facts presented. The greed and fraud that was occurring all across wall street was astonishing and frightening. It even made me mad that all of this seemed to be happening in broad daylight- and no one was stopping any of it from happening. The most frustrating thing was that these were supposed to be some of the smartest people in the country and yet they were turning a blind eye to the obvious deception going on.

The articles shed an even darker light on the situation. The Rolling Stone article about Goldman Sachs was especially targeted at the wrongdoing that has been occurring in the financial investment world for the past hundred years. The in-depth discussion of the long history of Goldman Sach's involvement in America's financial collapses paints a different picture than their commercials on television do. My cousin even works for Goldman in their New York City office. Getting to see a different side of these companies that I have grown up knowing people who work there was extremely eye opening.

The information presented in the movie and the articles was overwhelming and even frightening. I watch the movie on Friday, and then read the articles the next day. The sheer volume of incriminating information against Wall Street and its financial institutions took me aback. Growing up in the suburbs of Boston, this crisis did not affect my town in a way that I could visibly see. It was something I knew about yet I did not feel the up-close effects of it. Thus, I did not really have a negative view of investment banks like Citibank or Merrill Lynch. The movie really changed the way I view those in charge of our money. I think I, like many other Americans, believed that those who were handling our money would do the smartest or most profitable thing for us. What was actually occurring was that they were holding insider knowledge that would have allowed regular investors to make a well-informed decision. The facts that they were presenting to home owners were incorrect- and the fact that they expect the average American to do their own research on their mortgage ratings is absurd. The Youtube video about Crony Capitalism quickly and simply described the way that the US government and investment banks have a hand in promoting industries in a way that actual capitalism would not have. Legitimate and honest businesses stand no chance against the money and power of lobbyists who want to see their banks profits go up. In this era of fake news and misinformation, Wall Street is now included in my list of corrupt industries. What was

extremely frustrating was that those who had caused the crisis of 2008, were continually put into positions of power in the US government as advisers to Obama after. As one interviewee said in *Inside Job*, the financial system follows a 'status quo', and refuses to apologize or accept any consequences for the problems that they have caused. They are now in power to do the same thing again. The men that caused this crisis are now somehow still being put in positions that will lead us to another crisis.

Something that was apparent was the lack of women in power-both as advisers to our Presidents and also in these financial institutions. It was a small group of men that seemed to just be recycled from Goldman Sachs and the US government over and over again- when one man was in trouble, he was moved to another institution and still made millions. What I took from this was that my role as a woman who is going to graduate and work for an accounting firm is to do the right thing when I see frauds or injustices occurring in the financial world. A major issue was the blind eye that regulatory bodies like the SEC and FINREC turned to these deceptions. I know that being complacent and letting financial fraud like what happened with the housing market occur again will only lead to average and lower income Americans bearing the brunt of the losses. It is not the wealthy men in power who will lose their savings, it is the innocent American who trusted us to do the right thing who will lose everything. Personally, this case has reinforced my belief that I have to do my own research while purchasing a home and or investing my money. Those who are supposedly 'advisers' for mortgage loans are not necessarily looking out for my best interests when selling to me. My parents have always instilled the importance of thinking for myself and being independent in my choices- and

the movie further reinforced the need to not rely on others when spending the money I worked hard for.

Being located now at the epicenter of the coronavirus outbreak-I can already see the immense impact that it will have for the next months to come but also for the next few years even. All nonessential business' have closed their doors, but grocery stores and gas stations and other important business'- thankfully like Dunkin Donuts-are still open. Now, these are mostly workers working who make the minimum wage. For years, the Right side of politics has opposed the raising of the minimum wage at all. It has gone up to \$12.50 in Massachusetts, but in Mississippi it is still \$7.25. These workers on the front line are risking their lives to make sure that Americans can get essential items and food yet in the past they have been treated like their work was not important or worth as much pay. I do think that this virus will change the way that we pay certain lines of work. In addition, I foresee a lot of smaller local business' going bankrupt or closing their doors for good. I do think that some restaurants will make it by doing takeout- but the length of this quarantine is still not known and some if not many will not make it another month without their regular revenue coming in. This fall, there may be less local coffee shops or family restaurants to go to. On a larger scale, certain institutions like the NFL or MLB will lose money, as will their teams. I do not see there is a way that spectators will be allowed to attend large 100,000 people games. The revenue losses that stadiums and teams will see will make it difficult for them to pay their in-stadium food and drink service workers. As well, players may become frustrated by not getting paid and may revisit contract agreements. Everything about our way of life is changing and I think that every day I realize that something else is affected by this virus that I had not anticipated.

It is likely that our economy may move towards more digitalized services and workers doing their job online at home, or there may be offices that open up that are specifically for quarantine work. I do think that Americans are determined and creative enough to make some new jobs that can become extremely useful during social distancing. I just do not know what they are yet. All of this is very uncertain however, and things change faster than I can keep up with. I do know that when looking back on this case in the fall, I am sure I will have missed more ways that this virus will change our way of life.