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# Accountancy Honors Thesis

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by
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Approved by

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**Abstract**

This thesis is a collection of cases completed over two semesters under the direction of Dr. Dickinson. The cases covered multiple topics in the areas of business and accounting with the goal of exposing students not only to the accounting industry but give them a look at a professional career. Due to the various subject of each case, rather than have one central abstract for this thesis, each case will have its own abstract that will include an explanation of what the case was about and what was learned from the case.

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# Case 1

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The purpose of this case was to analyze the top two cities I would like work in after graduation. My top choice was New York City, New York, and my second choice was Pittsburgh, Pennsylvania. The subjects for analysis included general information about the city, including population, topography, and transportation, as well as information, including cost of living and commute time, that would give me an opportunity to understand what it would be like to live in the city. In total, there were 16 factors I was required to analyze for each city. I was then required to identify which was my preferred city and why, based on the analysis.

This case gave me an opportunity to look at each of the cities I chose in a way that I had not done before. Apart from which city I would prefer to work in, I learned the importance of analyzing choices instead of making decisions based on ideas that have come from limited information. Ultimately, I realized that my initial first choice is not the city I want to eventually work in. This was a surprise based on how adamant I was before the case that it was my top choice.

The most surprising part about the outcome of this case, was that I did not learn anything about either city that I did not already know on some level. The biggest impact was quantifying all the data that I already had and laying it all out side by side. Also, looking at small factors that I did not realize would be so important, like grocery shopping, had a bigger impact on my decision than some of the larger subjects. By taking the data I had about the cities and laying it out side by side, I realized that I was more attracted to an idea rather than any significant trait about my top choice.

**1.**

The population of the cities differ greatly. As of July 2018, the population of New York City was 8,398,748. This represents an increase of 223,615 persons since the 2010 census. This represents a growth of about 2.66 percent over that period and an annual growth rate of about 0.33 percent. Pittsburgh's population, on the other hand, should really be discussed in two parts. The first is the population of the city proper, which is about 302,000. While the city itself is not even in the top 50 of the most populous cities, it has a higher population density than five of the top ten cities. The second part is the population of the Pittsburgh metropolitan area, which is about 2.36 million. The reason the population should be discussed this way is because while the population of the city of Pittsburgh is trending downward, the population of the metropolitan area is trending in the opposite direction. This means that while the population within city limits is shrinking, the population of the suburbs are beginning to grow.

This was one of the least influential of all the subject areas to me. While New York is significantly more populated than Pittsburgh, both cities have relatively high population densities. While there may be more people in New York, Pittsburgh still has a comparatively large population.

**2.**

While Pittsburgh gets more annual precipitation than New York, both cities have roughly the same seasonal fluctuations. Each city has 4 distinct seasons with hot summers and cold winter. This is a climate that I am accustomed to living in because it is practically the same as where I grew up.

**3.**

Pittsburgh is located in the southwest of the state of Pennsylvania, at the confluence of the

Allegheny, Monongahela, and Ohio rivers. Pittsburgh is known as the city of bridges thanks to the 446 bridges in the city. The city features 30 skyscrapers, two inclined railways, a pre-revolutionary fortification and the Point State Park at the confluence of the Allegheny and the Monongahela. New York City sits at the meeting point of the Hudson River and the Atlantic Ocean and is known for its many skyscrapers. This is another subject that holds almost no weight in my decision because both cities are almost the same in my mind. While New York's building density is greater, that is not something I am particularly worried about.

**4.**

The income tax rates in Pittsburgh and New York vary greatly. While the federal income tax stays the same, the income and local taxes are much higher in New York. New York's state income tax is a marginal rate that ranges from 4 percent to 8.82 percent. New York City's local tax is a marginal rate that ranges from 3.078 percent to 3.876 percent. Combining those taxes with the federal income tax, Social Security, and Medicare puts your total income tax at about $17,426 without any deductions and assuming the starting salary of $55,000. This would leave you with income of $37,574 after tax.

While New York's state income tax is marginal, Pennsylvania has a flat personal income tax of 3.07 percent. Pittsburgh has a local income tax rate of 3 percent for residents and 1 percent for nonresidents who work in the city. I used the 3 percent rate for the sake of this study because the assumption going forward is that I will be living in the city. Combining those taxes with the federal income tax, Social Security, and Medicare puts your total income tax at about $15,586 without any deductions and assuming a starting salary of $55,000. This would leave you with income of $39,414 after tax. That is almost $2,000 more than in New York.

Along with a higher income tax rate, New York City also has a higher sales tax. total sales tax in New York City is 8.875 percent on taxable items while total sales tax in Pittsburgh comes to 7 percent on taxable items. I didn't include property tax because based on the cities chosen, I am most certainly going to be renting and will not be owning any property to be taxed.

This is where a gap really began to form between the cities for me. Pittsburgh has begun to feel like a more livable city based on after tax income alone. While these estimates were made with no deductions, one would still have a higher income in Pittsburgh than in New York. This is significant because even though it is only a difference of $2,000, New York is still a more expensive city to live in overall.

**5.**

Pittsburgh's public transportation is mainly provided through Port Authority of Allegheny County's fleet of buses. New York also has an extensive fleet of buses but is also serviced by their iconic subway system. Overall, New York has the better mass transit system of the two cities. While this is important, the difference, in my opinion, is not large enough to make this a deciding factor when choosing a city to eventually work in.

**6.**

Almost every industry is prevalent in NYC. However, NYC is a large financial hub. The city's largest companies ranked in order of revenue are J.P. Morgan Chase, Verizon Communications, Citigroup, MetLife, and Pfizer. The leading industries in Pittsburgh are advanced manufacturing, healthcare and life sciences, energy, and financial services. Pittsburgh's largest companies ranked in order of their position on the Fortune 500 list are Kraft Heinz, PNC Financial Services, PPG Industries, U.S. Steel, and Alcoa.

This is a category that, for me, favors New York because many of the largest financial, as well as accounting, firms are headquartered in New York. While New York easily beats out

Pittsburgh in this category, Pittsburgh is a growing financial hub. While the large finance companies may not have their headquarters there, many are starting to have a presence in the city.

**7.**

New York is ranked 60th overall on Healthgrades's top 100 list for cities with the best healthcare. It is ranked 64th in access to care, 42nd in population health, 86th in hospital quality, and 17th in local specialists. Pittsburgh is ranked 67th overall on Healthgrades's top 100 cities for healthcare. It is ranked 18th in access to care, 64th in population health, 76th in hospital quality, and 41st in local specialists.

While the two cities are close in the matter of healthcare, the school districts are very different. The quality of the Pittsburgh Public School district is not great. According to state test scores, 47% of students are proficient in reading and only 31% of students are proficient in math. Compared to Pittsburgh, New York City's public schools are much better.

The quality of the school districts held very little weight in my decision. While healthcare is an important factor, much like the public transportation, the cities are just too close, in my opinion, for it to have a significant impact on my decision.

**8.**

Pittsburgh has both a higher violent crime rate, 656.36 versus 538.90 per 100,000 people, and a higher property crime rate, 3,114.42 versus 1,448.59 per 100,000 people, than New York. Northview Heights is consistently ranked as the worst area in Pittsburgh, while Fort Greene is ranked as having the highest rate of crime per capita in New York. This is a subject that does cause some concern as the property crime rate in Pittsburgh is over twice as high as New York. Pittsburgh's violent crime rate is also much higher. While it is alarming, this is not something that I would discount a city for.

**9.**

With concerns to rent, Pittsburgh is by far a cheaper city to live in than New York. For example, a one-bedroom apartment in downtown Pittsburgh can cost around $1,150. One sample property is a 650 square foot apartment in downtown Pittsburgh. Amenities include in unit washering machines and dryers as well as garage parking for an additional $215 per month. This property is $1,150 per month.

In order to match that cost, in New York I would be required to live with roommates and split the cost. You can find three-bedroom apartments in New York with a monthly rent of $3,600. However, these are three-bedroom, one-bathroom apartments that do not have any of the amenities that the apartment in Pittsburgh comes with. For example, this sample property is a three-bedroom, one-bathroom apartment that does not have a washer or dryer and does not offer parking. This property is $3,600

This is the biggest deciding factor, personally, and really accentuates the gap between the two cities for me. The apartment in New York is 50 dollars more per month and you get much less for it. Another important factor to note is that the property in Pittsburgh is a higher quality apartment in the heart of Pittsburgh. The mean price of a one bedroom in Pittsburgh is only $727 per month.

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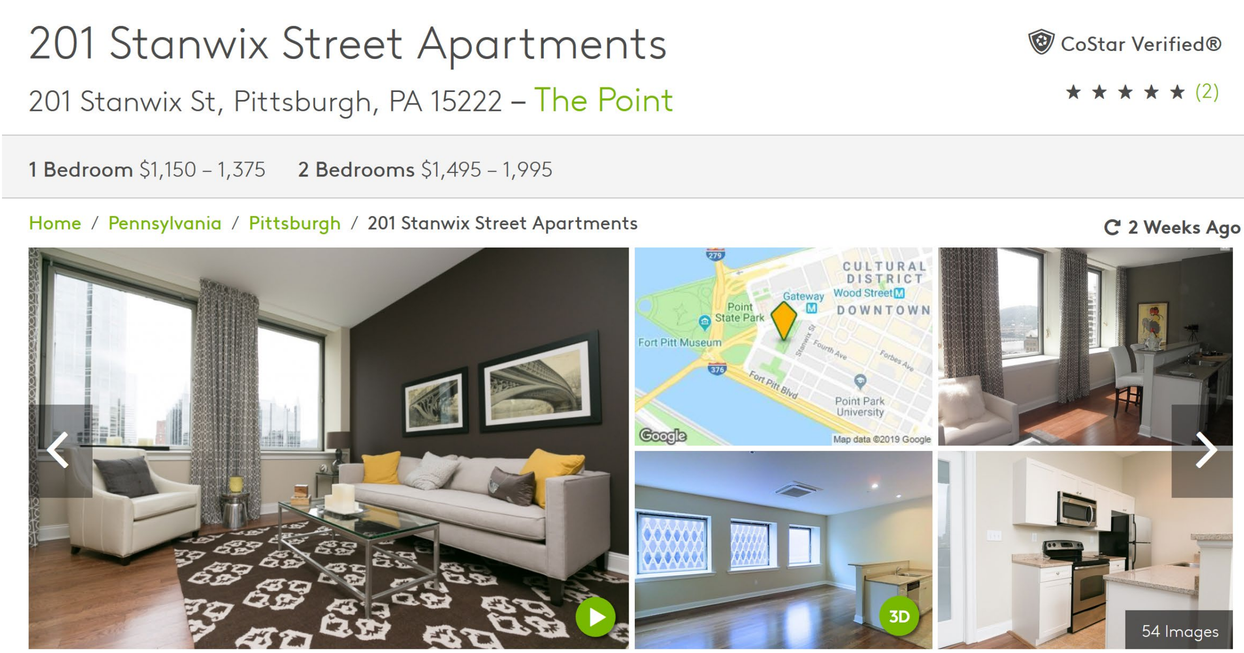



*Figure 1 Sample Property 1*

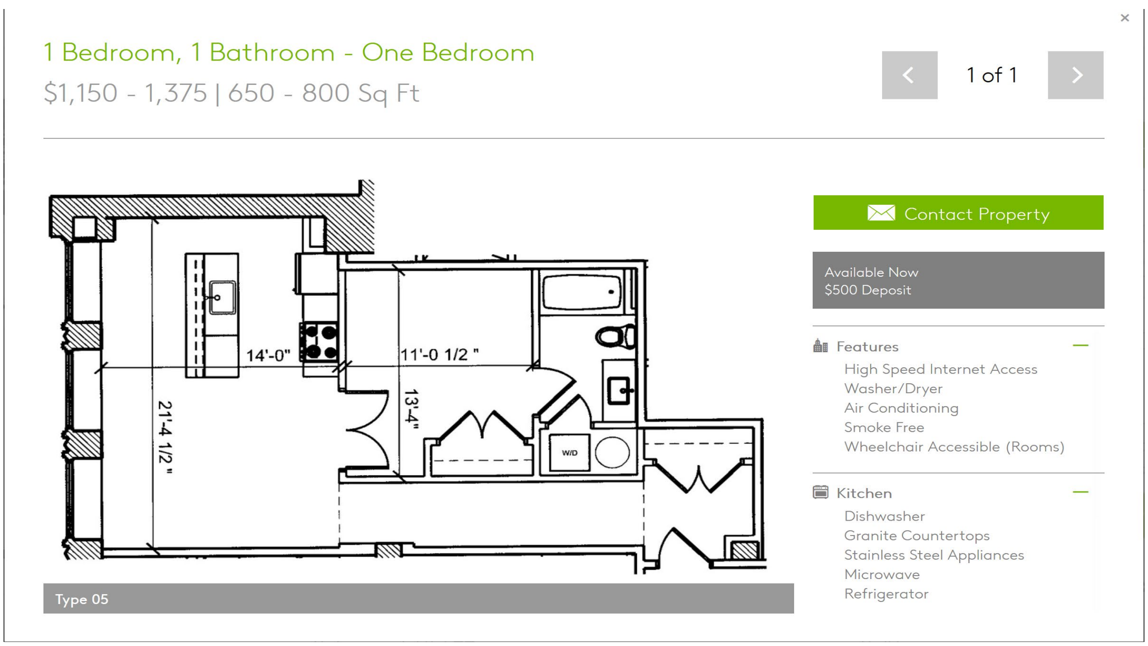



*Figure 2 Sample Property 1 Floor Plan*

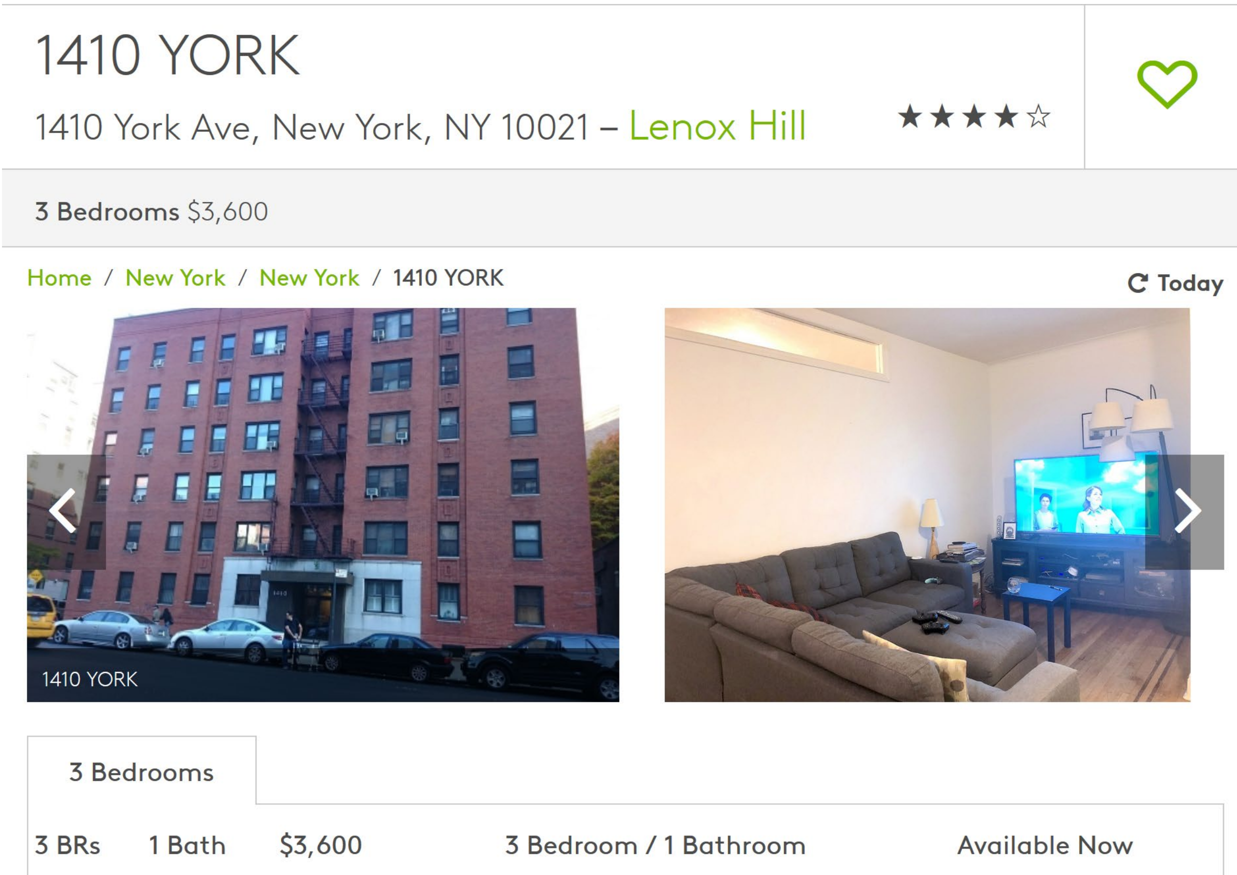



*Figure 3 Sample Property 2*

**10.**

The typical mode of commuting in both cities is public transportation and walking. Based on the sample properties, my commute time in New York would be about 25 minutes by public transit, while my commute time in Pittsburgh would be about 15 minutes by walking. The commute time in Pittsburgh is shorter for two main reasons. First, Pittsburgh is a smaller city. Second, the property is in the heart of downtown Pittsburgh which means it is closer to where I would theoretically be working. While this is not necessarily a major concern of mine, this does work to increase the gap between the cities.

**11.**

Grocery Shopping in New York is typically done through delivery services or at small shops. Typical large grocery stores are not available which limits options. Because grocery stores are worried about conserving space, they typically do not carry a wide selection of products. In Pittsburgh, grocery shopping is typically done at regular grocery stores outside of the downtown area in the surrounding metropolitan areas. This is a subject that I had not considered before but is now a major concern. Shopping in New York is more difficult and limited than shopping in Pittsburgh and is something that I must put more consideration into.

**12.**

In Pittsburgh, I can do laundry in my own apartment, while in New York I would have to take my clothes to a laundromat. This is another area I had not considered before but is now a major concern. The ease of being able to do laundry in my own home rather than having to take my clothes somewhere to wash them is not something I am sure I want to give up.

**13.**

In Pittsburgh I would like to be active with the Carnegie Library of Pittsburgh, the Big Brothers

Big Sisters of Greater Pittsburgh, or the Friends of the Riverfront. In New York I would like to be active with New York Cares, Habitat for Humanity, or Minds Matter New York City. All these organizations are ones that either help local youth or help the surrounding community which I think are very important causes.

**14.**

The entertainment I would most likely engage with in Pittsburgh would be attending football, baseball, and hockey games, as well as enjoy the local music scene and the many museums the city has to offer. In New York I would do pretty much the same things but in addition I would also enjoy the expansive central park. While the activities would be the same in both cities, I would enjoy the sports much more in Pittsburgh. I grew up a Pittsburgh sports fan so being able to watch my favorite teams play is a positive factor.

**15.**

The options of getting from New York back to my hometown are flying or taking the Amtrak. Driving is also an option but given the assumption that I most likely won't have a car if I live there, this all but eliminates that option. You can find both plane and train tickets for around $130. Flying takes about 1:15 while the train takes about 3:30. On the other hand, if I was living in Pittsburgh, I would have a car which would make driving the most feasible option. The only cost would be the gas for the car and the trip would take about four hours. This is area does not hold a lot of weight in my decision because I would only be travelling back to my hometown maybe once or twice per year.

**16.**

These are very liberal budgets based on monthly averages of each city. While the budgets look pretty much the same in terms of expenses, living in Pittsburgh would allow me to put $200 more into savings per month than living in New York would. Also, the rent cost is buying a lot more in Pittsburgh than it is in New York. If, instead of opting for a higher end apartment, I decide on one closer to the mean cost of a one-bedroom apartment in Pittsburgh, that would give me even more money left over at the end of the month.

*Table 1 Monthly Operating Budget for New York City*

| | |
|---|---|
| Rent | 1,200 |
| Food | 500 |
| Utilities | 150 |
| Transit Pass | 127 |
| Entertainment | 500 |
| Misc. Expenses | 100 |
| Savings | 805 |

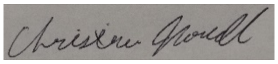
*Table 2 Monthly Operating Budget for Pittsburgh*

| | |
|---|---|
| Rent | 1,150 |
| Food | 400 |
| Utilities | 171 |
| Parking | 215 |
| Entertainment | 500 |
| Misc. Expenses | 100 |
| Savings | 1,016 |

**17.**

Based on my full analysis, Pittsburgh is my preferred city. By laying out all the factors side by side and quantifying a lot of my general thoughts about each city, I came to the realization that I would have a much better standard of living in Pittsburgh than I would in New York. I was never able to really picture what living in New York would really look like until I laid out all the costs and other factors that I did not realized held so much weight in my mind.

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

Signed: 

Case 2

Christian Jarrell

This case required me to watch the documentary, *Brexit: The Movie*, and then write a synopsis of the film. After watching the film, I was then required to research opposing viewpoints. The film firmly supported the "leave" campaign, so the research being done was on reasons Britain should stay in the European Union. After researching opposing views, I was then required to research and summarize the next steps for Britain in its process of leaving the European Union. This case allowed me to get a better understanding of the current situation going on in Britain. I was aware of Brexit and generally understood what was going on, but I was able to gain a much deeper understanding of the situation after doing the required research. I understood what was happening in a general sense, but I had never researched the specifics of each side and what the reasons each one had for their decisions. I also did not fully understand the effects it would have on Britain's future or the different deals being considered by Parliament for Britain's exit from the EU.

Along with the effects on Britain, I had never fully understood the global effects that Brexit would have. While trade with the U.S. will not be affected very much by a "no deal" Brexit, it could have significant impacts on the U.S. economy. A no deal Brexit would give businesses no time to adjust to life outside of the EU and that could make for very volatile markets that could negatively weigh on the U.S. economy.

**1.**

The movie begins with the argument that leaving the European Union, EU, is a question of how much people value democracy. This is a theme that is brought up throughout the movie and is one of the main arguments the movie makes for why Britain should leave the EU. The argument is that the EU not only does not align with the democratic values of the British people, but, is antidemocratic in nature. Throughout the movie this is the main point that the narrator supports with his examples.

The narrator's first support is an explanation of how the EU is set up. According to the movie, the EU is made up of 7 main institutions.  These include the European Parliament, the European Council, the Council of the European Union (simply called 'the Council'), the European Commission, the Court of Justice of the European Union, the European Central Bank, and the Court of Auditors. Another fact of the EU structure is that it has four presidents. The problem, the movie argues, is that unlike the simple parliamentary setup of the British government, it is almost impossible for the average person to figure out how the EU creates and implements laws. This prevents the organization from being held accountable by the citizens, which is another point the movie spends some time talking about. The film complains that there is really no accountability for the EU because no one is elected. The power lies with appointed officials rather than elected ones which means that decision makers do not have to answer to the constituents that their decisions affect. This is tied back to the original argument that the EU is antidemocratic.

Another key issue the movie touches on is the regulations imposed by the EU on member states. The argument is made that the imposed regulations hurt the economy of both the EU and of the member states. This means that by staying in the EU, the British economy is being hindered, rather than helped as many people argue. The main argument is that the sheer number of regulations does not allow for economic growth. The film uses Germany after Word War II as an example of how deregulation can spur economic growth. The film called Germany an economic miracle after the war and credited the policy of deregulation of nearly all industries as the reason for its growth. The film then goes on to talk about the effect that regulations have on the economy and on member states. One effect is the reduction of competition that is caused by all the regulations. The film argues that large corporations like increased regulations as it makes it more difficult for smaller and newer companies to break into the industry. This is because the regulations make it more expensive to produce items or run their business. This, in effect, reduces competition which, in turn, increases prices for consumers. The film also argues that the lack of competition is the main reason European manufacturing cannot compete with manufacturing globally. These regulations also are also why the film suggests that the EU promotes protectionism despite how much they preach free trade.

While the film brings up many good points on the topic of regulations, it also falls into a sort of slippery slope fallacy when the film brings up the vast number of regulations the EU imposes on everyday items. The film states, for example, that the EU has 92 laws regulating payments and 625 laws regulating coffee. The film also states that the regulations are like an invisible daily barbed wire and that everything down to daily life will eventually be regulated by the EU. While the EU does have many regulations on everyday products, the suggestion from the film that these regulations will eventually become Orwellian is backed up by little evidence and seems to be used as a scare tactic to convince viewers of the narrator's argument.

The last key issue the film covers is the topic of Switzerland. The film uses Switzerland as a key example of the success that a European nation can have outside of the EU. Switzerland holding free trade agreements with many countries is an argument made for leaving because it shows that trade is easier outside of the EU than inside. It also uses GDP comparisons and per capita earning comparisons to show how prosperous the country is compared to Britain. The film used the comparisons to persuade people that life outside of the EU can be more prosperous than life inside.

**2.**

One of the big claims made in the movie is that Britain sends huge sums of money to the EU every year that they have no control over. This is a big argument for leaving as the film claims it will save Britain vast amounts of money that they can use elsewhere. When you look at estimates made after accounting for everything Britain earns back from the EU, Britain may not be saving any money by leaving. A comparison between Norway, a non-member state, and Britain, showed that the two states contribute about the same per capita per year to the EU (Ashworth-Hayes, 2016).

Another counterargument to the leave campaign is that leaving the EU will have a negative impact on the British economy. This is mainly because of the trade benefits that being in the EU brings. Members of the EU have free access to the largest single market in the world. Economists believe that trade, migration, and access to large markets are beneficial for economies and membership in the EU provide all three. If Britain could maintain access to the single market and negotiate better trade deals, then leaving could have a positive impact on the economy. However, that would require developments both economically and politically around the world. While remaining in the EU does pose risks, those risks are more manageable than those that come with leaving (Armstrong & Portes, 2016).

A third counterargument to leaving the EU has to do with the stringent regulations. While one of the main arguments for leaving is the ability to deregulate many of its industries, Britain may still have to abide by those regulations if it leaves the EU. Depending on the exit deal made, if Britain wants to retain access to the single market, it would likely be required to follow the regulations set forth by the EU. Britain could easily reject the regulations imposed by the EU, but it would almost certainly lose access to the single market. This would have severe negative impacts on Britain's economy and makes it unlikely that Britain would not follow the imposed regulations.

**3.**

Britain's deadline for reaching a deal for Brexit is October 31 of this year. Unless they ask for an extension, which they have been doing for the last 3 years, Britain will be leaving the EU on the deadline. Boris Johnson, Britain's current prime minister, has said that Britain is leaving the EU on the deadline no matter what. This is despite legislation, known as the Benn Act, that requires the prime minister to write to Brussels asking for an extension if a deal is not reached in parliament by October 19 or parliament decides on a no deal Brexit.Parliament, now, seems to be doing everything they can to prevent a no deal, or hard, Brexit because it would most likely have a significantly negative impact on the economy of Britain. The problem is that Parliament has been working on getting a Brexit deal done for three years at this point and still has not come up with one and it seems as though they still will not have one in place when they reach the upcoming deadline. While Britain has received extensions for the past three years, the prime minister has made clear that he intends on Britain leaving the EU on the upcoming deadline with or without a deal.

Reference Page

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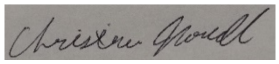
Signed: 

Case 3

Christian Jarrell

For this case, I was required to review the annual report, 10-K, of a company and answer questions about it. The company I was assigned was ExxonMobil. I was required to read the 2018 annual report for ExxonMobil and answer questions about the company's finances as well as the company in general. Most of the questions, however, pertained to the finances of the company and how the company did business. For example, one question asked me to describe the company's customer base, while another asked me to review and compare how the revenues and expenses of the company have changed over the last three years.

The purpose of this case was to introduce me to financial reports. This case gave me experience reading and understanding the reports as well as helping me understand what to look for. The questions were an outline of what information you should be looking for in the reports and forced me to break down the information to make sure that I really understood what I was reading. This is an important skill because it allows you to more thoroughly understand a company and its operations than if you were just read about it in the news.

Through this case, I learned, not only the major parts of the annual report, but also where in the report to find specific information about a company. Reports like these are very long and often break up related information into different sections. These reports also may not contain all the specific information you are looking for, so understanding, not only what is in the reports, but also where to find the information you need can save time and increase productivity.

**1.**

With a revenue of $244.4 billion dollars, ExxonMobil sits second on the "Fortune 500" list. Originally, ExxonMobil Corporation was incorporated in New Jersey in 1882. ExxonMobil Corporation a typical operating year end of December 31$^{st}$. ExxonMobil, now based in Irving, Texas, operates various divisions and affiliate companies with operations taking place in the United States and multiple other countries. The corporation has hundreds of affiliates and divisions with several different names. Business operations occur in Asia, Australia, Africa, Europe, and the Americas. ExxonMobil as of 2017, has over 69 thousand regular employees across the globe. These regular employees are defined as active executive, management, professional, technical and wage employees.

The principal focus of ExxonMobil's energy business involves the exploration, production, sale, and transportation of crude oil, natural gas and petroleum products. With ExxonMobil operating in such a highly competitive and regulated industry, the corporation is committed to research and development geared towards improving the nature of the crude oil and natural gas industry.

**2.**

ExxonMobil is audited by PricewaterhouseCoopers LLP (PwC). PwC has served as the Corporation's auditor since 1934. In 2017, ExxonMobil changed the manner of accounting for certain sales and value-added taxes imposed on revenues generated by ExxonMobil's sales. PwC's audits included actions to asses company risk of misrepresentation in ExxonMobil's consolidated financial statements and include the evaluation of appropriate accounting principles and evaluation measurements for Exxon's financial statements.

**3.**

ExxonMobil's assets include a current assets section made up of cash and cash equivalents, accounts/notes receivables, and inventories. The assets section also contains long term assets such as property, plant, and equipment (PPE) and Investments. Cash and cash equivalents consist of cash on hand as well as other cash items in the process of collection. Notes and accounts receivable are also found under current assets. In the notes of the financial statement, notes and accounts receivable are recorded less estimated doubtful accounts, meaning the number of receivables shown on the balance sheet has already considered an allowance for doubtful accounts. These accounts are recorded at fair value, which is the price that would be received for the sale of an asset. Inventories depicted on the balance sheet are one of ExxonMobil's assets account with the most supplementary information.

The Inventories account consist of crude oil, products and merchandise inventories carried at lower of current market value or cost. This is usually determined by the last-in, first-out method (LIFO). This just means that the most recent inventory costs are the first to be counted when determining total costs of goods sold. Inventory costs include expenditures and other charges (depreciation) directly and indirectly related to inventory. ExxonMobil also values material and supplies for inventory at cost or less. Other Assets for ExxonMobil consists of gain on sales only recognized when there is no uncertainty about the recovery of costs and any obligation for future performance by the Corporation. Losses are recognized on properties when incurred or when properties are held for sale with a fair value less than the carrying value.

Property Plant and Equipment for ExxonMobil are recorded at cost, less any accumulated depreciation on an account. ExxonMobil has a certain process to monitor for potential impairments regarding asset groups (like Property, Plant, and Equipment) throughout the operating cycle. This helps identify trends such as an increase of estimates of available natural gas supplies and ongoing minimization of the industry's costs. This to avoid a reduction in ExxonMobil's long-term natural gas prices. This is due to certain event conclusions regarding the potential non-recoverable investments in North America regarding natural gas production. Property, Plant, and Equipment also considers factors which could provide future risk for current long-term assets and investments. Due to recent innovation and exploration of these findings regarding, the Property, Plant, and Equipment account, the Investments, Advances and Long-Term Receivables account is closely related to the Property, Plant, and Equipment account. The Investments account consists of other companies carried at equity and other long-term investments related to funding these new technological and forecasting studies for natural gas.

The Liabilities section of ExxonMobil Corporation's balance sheet begins with current liabilities and then move on to long term liabilities. Current Liabilities include: Notes and loans payable, Accounts payable and accrued liabilities, and income taxes payable. These current liabilities are recorded at fair value meaning the amount accounted for is the amount to be paid to for a liability in a transaction.

Long-Term Debt can also be found in the liabilities section on the balance sheet. This account is determined by using an effective interest rate for debt and the average imputed interest rate for capital leases. The amount also includes premiums of 2018 and 2017 amounting to over $240 million dollars. Leased facilities for use of drilling such as equipment, tankers, and service station are also accounted for in the long-term obligations to equity companies. Deferred income taxes needing supplementary data. This due to needed foreign currency exchange clarification because of ExxonMobil's international operations. ExxonMobil also has benefit obligation and other pensions found in the liabilities section of the balance sheet. This account is used for United States and other equity securities held in accounts at fair value. The account also provides supplementary information regarding post-retirement funds provided by the Corporation. The postretirement fund also consists of an incentive program offering stock options for high-performing employees. The Corporation's investment strategy for benefit plan assets reflects a long-term view, a careful assessment of the risks inherent in plant assets and liabilities and broad diversification to reduce the risk of the portfolio.

The Equity section of ExxonMobil's balance sheet consists of common stock without par value. Also, under the equity section of the balance sheet one can find earnings reinvested. This amount is used to fund current operations for reserves and crude oil exploration and to continue to have integral relationship with company investors and stockholders. The section also includes amounts regarding comprehensive income and common stock amounts held in treasury. The comprehensive income account consists of unrealized gains and losses excluded from net income while treasury stock is stock the company has previously issued and decided to buy back. The equity section also contains a noncontrolling interest account. This account is in place due to ExxonMobil having hundreds of subsidiaries and affiliate companies. With such a large amount of working capital and an ample amount of business operations, ExxonMobil's use of footnotes relating to the financial statements is a necessity.

**4.**

ExxonMobil's customer base ranges from household consumers to manufacturing and industrial companies. Household consumers purchase the gasoline produced by ExxonMobil and the various petroleum products such as the Mobil synthetic oil used in automobiles. Manufacturing and industrial consumers buy ExxonMobil's industrial fuel and lubricants, as well as the other chemical compounds the company produces. ExxonMobil has 3 main sources of revenue: upstream, downstream, and chemical production. Upstream oil and gas production and operations identify deposits, drill wells, and recover raw materials from various deposit sites. Downstream operations, on the other hand, are the oil and gas processes that occur between production and point of sale. Generally, this includes refiners and processors that bring usable products to end users and consumers. ExxonMobil's chemical division produces chemical compounds used in a variety of industries. The company's revenue is "recognized at the amount the Corporation expects to receive when the customer has taken control [of the product], which is typically when title transfers and the customer has assumed the risks and rewards of ownership (Exxon Mobil Corporation, 2019)." This is because their products are generally sold on short-term agreements and occasionally long-term agreements at prevailing market prices. In 2018, ExxonMobil Mobil saw $182,402 million in non-US revenue.

**5.**

The main suppliers of ExxonMobil are construction and manufacturing companies. They provide the equipment and labor needed to develop and maintain the infrastructure to mine, produce, and transport ExxonMobil's products. "Crude oil and product purchases" and "production and manufacturing expenses" are the two categories included in ExxonMobil's COGS.

**6.**

The first category of other operating expenses is selling, general, and administrative expenses. This category includes all expenses not tied to producing their products or performing any services. These include the costs to sell and deliver the products as well as the costs to manage the company. These expenses help generate revenue because they include key expenses like delivery of the products as well as corporate salaries and other costs required to keep the company running.

The next operating expense category is depreciation and depletion. This category is all the depreciation on equipment, buildings, oil rigs, and anything else the company uses in its operations. Depletion relates to the amounts of deposits that are estimated to be left in the wells, mines, and anywhere else that the company acquires raw materials like petroleum and natural gas. While depreciation is not a revenue generating activity, it generates tax savings for the company which, in effect, allows the company to retain more of their income. Depletion provides the company with information about the life of its deposits and how much more a company can possibly earn from a specific mine or well.

The final operating expense category listed on the income statement is exploration expenses, including dry holes. Exploration expenses are the costs associated with searching for new deposits of raw materials such as crude oil or natural gas. Dry holes are wells that were drilled for oil or gas but yielded no materials. These expenses produce future revenues by determining new areas for expansion. In a way, this expense category can be compared to investments as the company will see revenues, not in the period they were incurred but, in future periods.

**7.**

ExxonMobil's revenues have grown consistently over the past three years. Between 2016 and 2017, total revenues and other income grew from $200,628 million to $237,162 million. This was growth of about 17.42 percent. Revenues from 2018 totaled $279,332 million which was an 18.26 percent increase from 2017. As with revenues, expenses have increased consistently over the past three years. Between 2016 and 2017, total expenses and other deductions grew from $200,145 million to $225,689. This was an increase of about 12.76 percent. Total expenses and other deductions in 2018 were $259,259 million. This was an increase of about 14.87 percent.

The reason for the consistent growth for both revenues and expenses can be attributed to the rise in oil prices between 2016 and 2018. Most of the company's revenues come from their upstream operations having to do with crude oil compared to their downstream or chemical operations. As with revenues, most of the increase in expenses comes from the crude oil and product purchases category. About 66.34 percent of the increase in expenses from 2016 to 2017 came from this category alone. Likewise, 60.97 percent of the increase in expenses from 2017 to 2018 also came from that category.

**8.**

ExxonMobil's net income for 2018 was $20,840 million. This is less than their cash flow from operations which was $36,014 million for 2018. The difference in values is due to multiple adjustments to net income that were made to account for items that were included in the income statement but did not actually cause a change in cash values for the company. Adjustments were made to account for noncash transactions that were included in the income statement but, as previously stated, did not result in an increase or decrease in cash levels for the company. Accounts such as depreciation and depletion, deferred income tax charges, post-retirement benefits expense in excess of/less than net payments, and other long-term obligation provisions are included in the noncash transactions section. The next major area of adjustments is changes in operational working capital excluding cash and debt. Adjustments included in this area are for increases or decreases in accounts including notes and accounts receivable, inventories, other current assets, and accounts and other payables. The accounts to adjust net income to are net gain on assets, dividends received greater than/less than equity in current earnings of equity companies, and any other miscellaneous items to be adjusted for.

**9.**

Multiple accounts on ExxonMobil's balance sheet contain judgements or estimations. One of which is the PPE section. The book value of the PPE section is the historical cost less the depreciation of the assets. Because depreciation is based on estimates, the book value of the assets in this section are estimates and may not reflect the true value of the item. Another section in the balance sheet containing estimates is the notes and accounts receivable section. The net value of this section is the gross value of the notes and accounts receivables less estimated doubtful amounts. Doubtful amounts are receivables that the company estimates will never be paid off. One item that is included in the balance sheet that is based almost solely on judgement is the contingency section. The reason for this is that management decides which litigations and contingencies are material and should be disclosed. There is no definition on what makes a contingency material so it is solely up to the discretion of management to decide whether something is material and should be disclosed.

Reference Page

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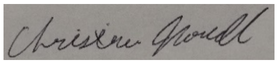
Signed: 

Case 4

Christian Jarrell

This case required me to watch an interview of economist Thomas Sowell from the Hoover Institute. Throughout the interview, Sowell discussed his journey to get to where he is today, and how it shaped his economic views and opinions. Sowell has studied and taught various subjects including economics, intellectual history, and social policy at various institutions that include Cornell, Brandeis, UCLA, and Amherst. With regards to his personal economic views, Sowell describes his shift from favoring to opposing Marxist views and why the shift came about. Sowell also discusses his book, *A Conflict of Visions*, at length in the interview. The interview, however, revolves mainly around the topic of the economic prosperity gap and the, as Sowell calls them, myths surrounding the subject. Sowell takes a hardline against the welfare state and ultimately believes that welfare laws are the main cause of many of the problems seen in society today such as the rise in illegitimacy rates and the rise in crime rates.

This interview taught me about Sowell's competing visions theory. The basic explanation is that there are inherently two competing "visions" of human nature. The first, the unconstrained vision, relies on the belief that human nature is essentially good and that, basically, good things happen automatically while bad things happen due to the institutions that are put into place. The constrained vision, however, relies on the belief that humans are inherently self-interested regardless of their intentions. Those who subscribe to the constrained vision believe that bad things happen and intervention by large institutions will not necessarily prevent or help those bad situations. These theories came about from Sowell trying to answer the fundamental question of why many issues fall along partisan lines when the issues seemingly have little to do with each other.

While I found the interview engaging and found some of Sowell's arguments interesting, I was unimpressed with some of the examples and reasoning he used in support of his arguments. I am not going to comment on the economic merit of his arguments, however, based on the evidence provided by Sowell, some of his arguments seemed like they were somewhat of a reach. This may have been because it was an interview and perhaps after reading his books and delving deeper into his theories, I will find his arguments more compelling. However, after the interview, I was left unconvinced by some of Sowell's arguments.

The main issue I had with some of his arguments is they seemed to fall into a false-cause fallacy. It appears Sowell was looking at the rise in crime rates after the 1960s and claimed welfare was the cause solely because the timing of the laws matched up. This is not to say that there is not empirical evidence to support his claim, just that in the interview, the evidence provided seemed to be more anecdotal. Sowell claims that poor Americans were improving their social standing until the government decided to institute welfare laws to help them. He also claims that had Lyndon Johnson not attempted to do anything about poverty, crime rates would be much lower than they are right now. This argument was unconvincing because while he provided evidence that the time periods matched up, he, in my opinion, did not provide evidence that welfare was the sole and direct cause for these issues like he was claiming.

I am not commenting on whether I agree with the underlying argument, I am only commenting on the evidence he provided in the interview and how convincing it was. I feel as though commenting on his arguments would be premature given that I have not done the extensive research that Sowell has done. As previously stated, perhaps after further research I may agree more with his arguments, however, based on this interview alone, Sowell left me unconvinced.

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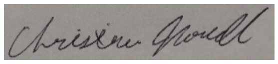
Signed: 

Case 5

Christian Jarrell

The purpose of this case was to acquaint the students with Regulation Fair Disclosure, or Reg FD. Reg FD was issued by the SEC in 2000 to stop companies from releasing nonpublic material information only to select parties. In this case, we were asked to answer a "client's" questions about Reg FD. Specifically, what it is, why the SEC issued it, and whether the client violated it by making a social media post about their company's performance metrics. After giving an opinion to the client on whether his post violated Reg FD, we were then required to read an article about the Reed Hastings rule and a situation involving Elon Musk that directly answered the client's question. After reading the article, we then had to assess whether we would change the opinion we gave to our client.

Through answering the questions, as well as the research required to form an opinion for the client, I gained a deeper understanding of not only what Reg FD is, but why it was issued and how it has evolved since its issuance. For example, Netflix's CEO, Reed Hastings was initially investigated by SEC regulators when he released nonfinancial company performance metrics on his personal Facebook page. Specifically, in July 2012, Hastings wrote, that Netflix had "exceeded 1 billion [streaming] hours for the first time." (Bloomberg, 2018) Regulators later ruled that Hastings had not violated Reg FD and decided that "most social media [is] 'perfectly suitable' for communicating company information as long as investors are alerted and access isn't restricted." (Bloomberg, 2018) In addition to the information I learned from my research, this case exposed me to issuing opinions on questions regarding grey areas and situations where making inferences based on context is important.

Regulation Fair Disclosure, or Reg FD, was a ruling by the SEC that was concerned with the selective disclosure of material information by public companies and other issuers. Reg FD states that any material nonpublic information released to a party that may benefit from it, must be made public. This regulation means that you can't be selective when deciding who you release material information to. It also means that you need to think carefully about what information you release in private as any material information released must be made public. The reasoning behind this is simple; if a company releases material information to select institutional investors, it gives the institutional investors an unfair advantage over individual private investors who would not have access to the same information. Reg FD was the SEC's attempt at evening the playing field between Wall Street analysts and individual private investors.

Regarding your question about disclosure of information on your social media page, I believe there are certain factors that would determine if the SEC would find that it violated Reg FD. These factors concern the accessibility of your social media postings to investors. If all investors were given adequate notice or it can be reasonably inferred that all investors had equal access to, and awareness of, the information then you should be well within compliance. If your personal Facebook page and all the information posted on it is public then there should not be any violations. However, if your Facebook page is private or is only accessible to certain investors, then a violation may have occurred. In addition, if these statements are completely truthful and are not fabricated to influence stock price, there should, again, be no violations found.

After reading the article on Reed Hastings and Elon Musk, my answer to the client's question would remain pretty much the same. The only thing I would add would be to recommend that any material financial information should most likely not be released on social media. Information like non-financial performance metrics can be easily released on social media in accordance with Reg FD, however, financial information that could substantially influence investor decisions and a company's market valuation will be subject to much more scrutiny by the SEC and should be released in a more formal manner where proper vetting can take place and all necessary information can be provided to the investors. While it may be possible to release such information on social media in accordance with Reg FD, the SEC will most certainly investigate to ensure that there were no violations in disclosure laws. By releasing material financial information in a more formal manner, a company will greatly reduce the odds that the SEC investigates them for disclosure violations.

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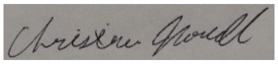
Signed: 

Case 6

Christian Jarrell & Meghan Foley

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 $8,000.

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 percent 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

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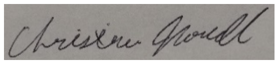
Signed: 

Case 7

Christian Jarrell

This case required us to play “Blockchain Monopoly” and to research blockchain technology in order to get a better understanding of what exactly blockchain is. In this case, Blockchain Monopoly was a modified version of Monopoly that incorporated interstate commerce and a public ledger that players were required to go through in order to make any transaction. Transactions in this game were any activity that would alter a player’s cash balance. The game attempted to demonstrate how a blockchain system works in a tangible way to make understanding the complicated technology better. Despite the game’s best efforts, based on my role in the game, a business manager, I did not really get the chance to witness how the system functioned. Compared to the game, the research I did into blockchain gave me a much deeper understanding of the technology.

This case gave me a more in depth understanding of not only what blockchain is, but potential applications, pros and cons, and what the future looks like for the technology. In the most basic sense, blockchain is just a more secure way to store data. The reason understanding it is important is because the technology will most likely be utilized by most, if not all, companies at some point in the future. This is because of the benefits offered by the technology. While I certainly will not be designing these systems, understanding how these systems work and the benefits they can offer, provide me with more experience in a technology that most likely will be widely used at some point in the near future by financial service companies.

The easiest way to define blockchain is that it is a distributed, decentralized, public ledger. What exactly does that mean though? Blockchain, in its most basic form, is simply a chain of "blocks" that are used to store data securely. In this case we define a "block" as digital information and the "chain" as a public database. Blocks, in this case, store 3 key pieces of information: information about a transaction, information about the participants in a transaction, and information that distinguishes one block from others. This distinguishing information is in the form of a code called a "hash" that is unique to each block. Every block is also added to the chain linearly. This means that each time a block is added to the chain, it gets added to the end of the chain rather than in a random place in the database.

Now that we have broken down what a blockchain is, let's move into breaking down that first definition. What does it mean when we say blockchain is "distributed?" In the simplest sense, blockchain is not private. While anybody can see the contents of the blockchain – this is the public part of the definition – users can also connect their own computers to act as "nodes" for the blockchain. Nodes are just systems that spread, preserve, and store blockchain data. Once a computer is connected, they receive an updated copy of the blockchain every time a new block is added no matter who adds the block. This is what we mean when we say that a blockchain is distributed. This distribution is part of what makes blockchain so secure. The decentralized part of the definition just means that there is not a central controlling entity that all transactions run through. Any connected computer can add a block to the chain if its verified.

During the game we played in class, my role was a business manager who was making transactions. In a broader sense, I was a user who was contributing data that would be added to the blockchain. The game itself attempted to demonstrate how a blockchain system works in a tangible way. I do not feel like it accomplished this goal mainly because in my role, the only thing that was demonstrated was the potential speed inefficiencies of the technology. I had no part in the design of the ledger or the recording of transactions to the ledger. I assume if given a different role in the case, I may have been able to get a broader understanding of how the technology worked. My role, however, was very limited which caused me to not be able to witness the broader image the case was trying to demonstrate.

The broader question of how likely blockchain is to work for the global economy is a difficult one to answer precisely because blockchain solves many problems that financial institutions are facing, while at the same time creating a large problem. For example, blockchain is more secure, increases transparency, and is more efficient for financial institutions than the current systems in place. While the first two points are certainly extremely important, the last point may be the biggest driver of moving to blockchain technology on a global scale. Currently, banks only operate during business hours which means that if a consumer deposits a check on Friday, they most likely will not see that deposit show up until Monday. Even if made during business hours, a deposit can take up to three days to be verified due to the number of transactions that banks are dealing with. By integrating blockchain, consumers can see transactions processed in just the amount of time it takes to add a block to the chain no matter what day of the week it is. Banks would also gain the ability to transfer funds between institutions more quickly and securely. One European bank even put the amount of potential savings at up to $20 billion annually if they were to implement a blockchain system to run its transactions.

What is the downside of blockchain then if it solves such important issues? The main issue blockchain would create is a dramatic decrease in transaction speed. While transactions between financial institutions would be more efficient, if we were to implement a blockchain to run a payment system, current technology could not compete with the systems already in place by companies like Visa. As of 2018, Visa could perform roughly 24,000 transactions per second (TPS) while the closest blockchain, Ripple, could only perform about 1,500 TPS. While Ripple comes nowhere close to matching Visa, it easily beats out PayPal, which can currently perform only about 195 TPS. This could prove key to developing a next generation peer-to-peer payment system that is both faster and safer than current systems like PayPal. Currently, Blockchain technology cannot match the speeds of larger and more popular payment systems, however, it is possible that blockchain technology could one day match systems that are already in place. This would give blockchain the ability to work for the entire global economy.

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YOUR NAME: Christian Jarrell

**Income Statement**

**For the First Period of Operations**

**REVENUES** —

*minus*

**EXPENSES** (71)

*equals*

**NET INCOME** (71) (If this number is negative, you have a NET LOSS)

YOUR NAME: Christian Jarrell

**Statement of Retained Earnings**

**For the First Period of Operations**

**Beginning Retained Earnings** $0

*plus*

**NET INCOME** (71) ← Enter amount from INCOME STATEMENT here

*minus*

**Dividends** $0

*Equals*

**Ending Retained Earnings** (71)

Total ASSETS: ← Total of CASH, PROPERTIES and BUILDINGS

LIABILITIES —

EQUITY:

Stock 1,500

Ending Retained Earnings (71) ← Enter amount from ENDING RETAINED EARNINGS from Statement of Retained Earnings here

Total LIABILTIIES PLUS EQUITY: 1,429 ← Total of LIABILITIES, STOCK AND ENDING RETAINED EARNINGS

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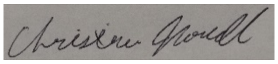
Signed: 

Case 8

Christian Jarrell

This case required us to conduct an interview with someone in the business community about their life and career. We were given a set of questions that included questions about their early life as well as college and career timelines and any advice they could give us. The case was designed to get us seek advice from a professional and to have us think about our future career aspirations. I interviewed a family member who I believed to have the most interesting career background. He has spent most of his career on multiple contracts with different departments of the federal government as a project manager. However, aside from that part of his career, he has had a plethora of jobs and I believed that given his extensive experience, he would be able to provide me with the most advice moving forward.

The biggest lesson I learned from this is that you do not need to sit still and stay with one company for most of your career in order to advance in a field. While many people say that too many jobs on a resume looks bad, the circumstances surrounding the job changes really provide more context. If you are moving around constantly because you cannot hold a job, that does not look good for anyone. But if you constantly move around because you are continuously being sought after because of your work, that is a completely different story. On the same note, while it sounds cliché, I also learned that doing your best work affords you more opportunities than just doing the bare minimum required to get the job done.

Peter Jarrell's early life might be considered unorthodox to some. His father was in the Air Force, so he spent much of his early life moving from place to place. He spent time living in Texas, Georgia, as well as two stints in England before his family settled in Florida. Growing up, Peter was a C-average student and was even held back in third grade because his teacher thought he was too immature. Despite the setbacks he ended up being the first in his immediate family and third in his total family to graduate from high school. While in high school, however, his guidance counselor told him that he was not smart enough to worry about college and instead should learn a trade after graduating. Peter was determined to prove his counselor wrong and became the first person in his family to go to college.

Going into college, Peter wanted to study dance, specifically ballet. Once there, he spent most of his college years figuring out what he wanted to do with his life. He started out getting a bachelor's in ballet, received a total of three minors, and then finally received a bachelor's in computer science, which is the field he currently works in. This drastic shift in fields of study came after a friend in a dance class got a new computer at the time called an Apple. After seeing how it could be programmed, he enrolled in an elective computer science course to test the waters. After the course, he decided to pursue a degree in the field and finally finished school in the mid-1980s. All of this took a total of seven years, which he worked his way through receiving a total of $25.00 from his parents throughout that time.

Peter's journey to get to his current job is filled with career changes. As of now, the longest he has stayed at the same job has been five years. Immediately post college, he moved to the Washington D.C. area and became a food service manager with the Marriott corporation at George Mason University. This first job taught him the importance of being assertive which led him to get a job with Hayman Business Systems as a Point Of Sale programmer just three months later. Twelve months after starting the Hayman job, he took a new job with Electronic

Data Systems which led to a different job, coincidentally, just three months later. This job was with USA Today as a Computer Information Control System programmer which he held for two years before again moving on. Peter's job after USA Today was with the IRS as a project manager (PM). This job may have been one of the most important in his laundry list of career moves because it introduced him to the project management position in the federal government. While he did not know it at the time, Peter would go on to become somewhat of specialist as a PM on government projects both as a contractor and a salaried employee. He stayed with the IRS for four and a half years before he decided to move on and start his own company.

In 1996 Peter started his first company. While it would make sense to assume this company was in the field of computer science, predictability is not a word I would use to describe Peter Jarrell. His first company was a fitness company. He started a fitness program for HIV/AIDS patients at the Whitman-Walker Clinic in D.C. to help with their treatment. He also did training for seniors in senior centers around the D.C. area. This job, he explained, taught him the importance of giving back. He recalled a story where years after ending the business, he ran into a client he had trained at the Whitman-Walker Clinic. His former client told him that using what Peter had taught him in conjunction with his treatment had changed his life in terms of how his health had improved. This chance encounter solidified that lesson. Peter ran this company for two years before moving back to the realm of the federal government and computer science in 1998.

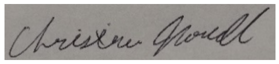
In 1998, he went to work with the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) because of the concerns of the looming Y2K impacts on computer systems. He worked as a programmer and project manager during this time. During his stint at ATF he worked on a project related to the D.C. sniper attacks in 2002. He worked on setting up a database that allowed different law enforcement agencies to communicate the different tips they were receiving with each other. He worked at ATF up until 2003 when he again, changed jobs. In 2003, he moved to the Alcohol and Tobacco Tax and Trade Bureau (TTB), which at the time was a brand-new agency. He was tasked with helping to set up the new agency. He stayed with TTB for two years then left to start his second company.

In 2005, Peter started his first IT company with his first business partner. This company taught him the important lesson of trust but verify. He left this company in 2008 when he went to work for the Department of State where he started a new contracting company with his second business partner. He sold his shares back to his business partner in 2013 and went on to start a new federal contracting company. In 2015, he moved over to the Department of Treasury to manage their data consolidation. He maintained this position until 2017 when he became a cloud security architect for Treasury. In 2018 he moved to the US Mint as a cloud security architect but quickly moved back to the Department of State to support an Embassy program as well as manage all of their cloud infrastructure. This leads us to 2020 when Peter moved to Versant Health, a private company, to manage their data center consolidations and staff outsourcing. This is his first salaried position in almost 15 years because after his position at TTB, he maintained an independent contractor designation throughout his time bouncing from agency to agency. Looking forward, he plans on leaving Versant Health soon for yet another job change.

When asked about what advice he can give based on his extensive experience, he explains that the biggest lessons he has learned are, "don't burn bridges, do what you say you're going to do, and don't promise things you can't deliver." He says by working with many leaders, both good and bad, he has developed a strong business acumen and has learned through experience how to be an effective leader. He also explained that by doing the best job he could on every job he worked, he has only ever had to look for work once throughout his entire career timeline. Every other job he has held were jobs that he was offered because the people wanted to hire him specifically. He also has had multiple former employees that have reached out to him on different jobs that want to work for him again.

When asked about what he wished he had known at my age, he had the following to say, “life is short so when you want to do something you have to go for it and do it. Never second-guess yourself. Don’t be afraid to fail but fail fast. Start saving fast and understand the value of money or else you’ll never retire.” He also went on to say that he wished he had spent less time at the office and more time at home with his family and that that was his biggest regret.

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

Signed: 

Case 9

Christian Jarrell

For this case, we were assigned someone to interview that had already gone through an internship at an accounting firm either this year or last year. We were then required to interview them about their experience with both the internship and their recruitment process. Our interviewees were assigned based on city, firm, and practice line preferences. My interviewee was Ellen Duncan who interned and then accepted a job offer from PwC in Nashville in their audit practice. The case was designed to give us an idea about what the internships look like from someone who just recently completed one. This is important because it is different information than what you receive from the firms and the recruiters. While the firms and recruiters have a single goal of selling the company to you and convincing you to sign with them, the people we interviewed were able to tell us both the good and the bad aspects of the company.

My conversation with Ellen pretty much stayed general because she interned in Nashville while I will be interning in New York so any specific questions relevant to me about office culture could not be answered. However, the information she provided me was valuable. She provided advice on dealing with managers and team members, as well as what to expect in terms of workload. This advice helped to ease some of the concerns I had about interning with a large accounting firm.

My conversation with Ellen started with why she chose to go with PwC over other firms. Ellen explained the biggest draw, for her, was the personalities of the people she had interacted with throughout the recruiting process. She told me about the socials she went to during recruitment and how they helped her understand the personalities of not just the staff from the firms but also the unique personalities of the firms themselves in terms of culture. For example, she felt like EY was a little too professional for her tastes while, on the other end of the spectrum, KPMG's socials were a little too wild for her liking. She also explained to me that throughout the socials, she always felt like she got along with the PwC people the best because she felt like they were the most genuine during the whole process. In addition to feeling that the culture fit the best with her personality, she also appreciated PwC's "Be well, work well" employee betterment initiative. While this did not have a huge impact, she also felt that PwC was a little more selective with who they hired and that gave her a positive impression of the company.

Ellen said that during the internship, a lot of different industries and company sizes. Going in, she had said that she wanted to specialize in the healthcare industry. While she saw mainly healthcare companies, she also did get a mix of construction and other industries. Regarding client interaction opportunities, she said it mainly depended on the size of the engagement team and the client you were working on. She told me that she felt opportunities to interact with clients, while not actively discouraged, were also not actively encouraged either. In addition to the size of the engagement team, your manager on the project is the biggest influencer on whether you will get opportunities to engage with clients directly. In terms of the day-to-day, she said it depended mostly on the client she was on. Some clients required a lot of travel to the site which means most of her days on the project would be at the client's site. Other engagements did not require them to be on site all the time, so a lot of the work was done in the office. She also said that her weeks averaged about 60 hours while her longest week was about 70. Again, this all depended on the client. The only issue she faced was when she got a negative “Snapshot” evaluation. Snapshots are PwC’s periodic employee performance evaluations. However, she said to take the evaluations with a grain of salt because it really depends on the manager you have at the time. Some managers give everyone high marks unless they have a major screw up while others give negative marks for seemingly mundane issues.

The main piece of advice she gave me during our interview was to be prepared to hit the ground running. She said that she was thrown into her first engagement and was treated like a first-year associate right away. She told me it was both a good and bad thing, however. It was good because you were treated like a first-year associate and given all of the responsibilities of one, on the other hand, you are not really given any guidance in terms of how to do your assigned task while also being given all of the responsibilities of a first-year. She also explained to me that in the beginning of a new engagement, you should ask your managers when to ask questions you have. This is because she learned that every manager was different in terms of when they want you coming to them with issues. One manager might prefer if you came to them right away in order to save any unnecessary time wasted trying to figure it out. Others might want you to try and solve the problem yourself first and only come to them if you are really stuck. She said that the key to dealing with the latter is to figure out a reasonable amount of time to take before you decide your stuck. While these managers want you to think about the issue, they also do not want you to waste ridiculous amounts of time on a simple problem.

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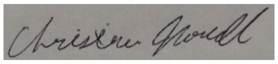
Signed: 

Case 10

Christian Jarrell

This case required us to watch a short video, a movie, and read three articles about the financial crisis of 2008. The articles and videos went into detail about, not only what happened in 2008, but about the actions that led up to the crash. The materials went as far back as the Great Depression to display how Wall Street and the big banks did not just contributed to the financial crisis, but that their actions were the direct cause of the completely preventable crisis. After reviewing the materials, we were then required to answer questions about if and how our opinions had changed and how we think the current Coronavirus pandemic might change the economic and political climates in the United States. This case was designed to better inform us about the events leading up to crash and how the financial industry ultimately was the direct cause of not only this crash, but of all the previous financial crashes before.

The main lesson I took away from this case is the absolute power Wall Street holds over the country. Before this case, I understood the financial industry was one of the most powerful lobbying groups in the country and that the banks built themselves too big to fail for a reason. What I did not realize, however, is that they were intentionally creating bubbles which would then crash the economy because they understood that, not only would these bubbles offer them huge short term profits, when the bubbles eventually burst, they knew they were getting bailed out by the government. Coming into this case, I had always assumed it was carelessness of the banks that allowed these bubbles to get so large and then pop. I had not realized that it was their complete intentions to build these bubbles and, in effect, defraud their investors.

The materials in this case did not change my beliefs at all. Other than the fact that I now understand it was the full intentions of the banks to defraud investors during the financial crashes, my preconceived notions about the financial industry remain the same. The finance industry requires heavy regulation that, currently, is going to be impossible to enact. Since Ronald Reagan began deregulating Wall Street in the 1980s under the notion that it will somehow help the economy, all of his successors have been following in his footsteps. Deregulation has gone so far that congress all but guranteed in the early 2000s that derivatives could not be regulated. This is ultimately what led to the financial crisis. As to what this information means for the future, it means absolutely nothing. If history or the current president's administration's goal of deregulating everything is any indication, Wall Street will continue to operate with very little oversight. Not only that, but there may be even less oversight in the future.

The materials did change my beliefs about my role in society, however, it may have been for the worse. Initially, after watching and reading the materials, I had the reaction of wanting to do something to change the current situation. However, after thinking more about it, I realized that there is not much I can do to help the current situation except to agree to not make it any worse or not participate in it. The reasoning is, the ".com bubble" popped in the early 2000s and it came out later that banks were defrauding their investors. Then the housing market crashed in 2008 and the financial crisis happened because of it. Later it came out that that was also caused by banks defrauding investors. Even after all of that, nobody has been prosecuted and banks were ordered to pay miniscule fines and were bailed out with taxpayer money. There were warnings telling both the banks and the government that their actions were going to lead to a financial crisis, and they disregarded the information because it was bad for profits. Even after all of this happened, we have continued on a path of deregulating the financial industry. As long as Wall Street is one of the biggest lobbyists in Washington, there is not anything anybody can do except to just agree not to participate in the injustice.

I predict the current virus crisis will have no effect whatsoever on the long term economic or political climate in the United States. What this virus will do is it will highlight the inefficiencies we have in our country, for example healthcare or how much we value our economy, but that is all it will do. I believe we will begin to recognize some of our shortcomings; however, we will not do anything to fix them. Again, if history is any indication, we will continue to bail out the large corporations at the expense of taxpayers and will allow the income inequality to continue to rise. There are plenty of lessons to be learned from our recent financial history, however, it seems like no one is going to learn form them.

The biggest lesson is that deregulating the financial industry is a terrible idea because they can't be trusted not to defraud their investors. However, for example, after implementing Dodd-Frank in 2010 in response to the 2008 financial crash, there continues to be people who want to repeal it. Regarding whether this is an opportunity to unwind the status quo, I believe it is. However, as I mentioned before, opportunity does not mean people will seize it. We tried to unwind the status quo by passing Dodd-Frank after the 2008 financial crisis, but people still believe deregulation is the way to go. As I mentioned before, as long as Wall Street continues to be the biggest lobbyist in Washington, nothing is going to change in terms of banks finding ways to make money at the expense of everybody else.

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Signed: