Accounting Practicum: Case Studies Compilation and Analysis
Fall 2020 and Spring 2021

Margaret Case

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ACCOUNTING PRACTICUM:

CASE STUDIES COMPILATION AND ANALYSIS FALL 2020 AND SPRING 2021

by

Margaret Case

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

Oxford, MS
May 2021

Approved by

Advisor: Dr. Victoria Dickinson

Reader: Dean W. Mark Wilder
I would like to first thank my parents for their sacrifices and encouragement they have had for me during my time at the University of Mississippi. Throughout all of the trials that come with education and external factors, they have helped me preserve and overcome many of the difficulties. I would like to thank also my sisters for being role models and supporting me unconditionally prior to, during, and continuing after this experience. I would like to thank all of my family and friends who have helped me at every moment. Thank you to the Patterson School of Accountancy, the Sally McDonnell Barksdale Honors College, and all of my professors, especially Dr. Victoria Dickinson, for motivating me and challenging me during my undergraduate collegiate experience at Ole Miss. Finally, Hotty Toddy.
ABSTRACT

MARGARET ELIZABETH WREN CASE

Case Studies Compilation and Analysis Fall 2020 and Spring 2021

(Under the Direction and Victoria Dickinson)

The following thesis consists of twelve explanations on a variety of financial accounting standards. Those of which fall under the Generally Accepted Accounting Principles (GAAP) as directed by the Financial Accounting Standards Board (FASB). In addition with the topics presented are learned material from Intermediate Financial Accounting I and II and multiple other accounting-related classes. Each topic has been analyzed and concluded in conjunction related to the thesis topic. Through the accounting case studies, an understanding of various major accounting principles and their related areas are shown. The case studies were completed with the direction of Dr. Victoria Dickinson under the requirements for the University of Mississippi, Patterson School of Accountancy, and Sally McDonnell Barksdale Honors College during the ACCY 420 course between 2020-2021 academic year.
<table>
<thead>
<tr>
<th>Case 1: A Tale of Two Cities</th>
<th>vi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case 2: Excel Crash Course</td>
<td>xv</td>
</tr>
<tr>
<td>Case 3: Brexit</td>
<td>xvi</td>
</tr>
<tr>
<td>Case 4: Caremark RX</td>
<td>xxiii</td>
</tr>
<tr>
<td>Case 5: In Class</td>
<td>xxxv</td>
</tr>
<tr>
<td>Case 6: Pol Economica Video</td>
<td>xxxvi</td>
</tr>
<tr>
<td>Case 7: Regulation Fair Disclosure</td>
<td>xxxiv</td>
</tr>
<tr>
<td>Case 8: YouTube Channel Tax</td>
<td>xliii</td>
</tr>
<tr>
<td>Case 9: Blockchain</td>
<td>xlvii</td>
</tr>
<tr>
<td>Case 10: Interview</td>
<td>liii</td>
</tr>
<tr>
<td>Case 11: Interview 2</td>
<td>lx</td>
</tr>
<tr>
<td>Case 12: An Analysis of An Economic Crisis</td>
<td>lxvi</td>
</tr>
</tbody>
</table>
Case 1: A TALE OF TWO CITIES

This case study targets getting to know the area and an accurate representation of how moving will impact your career. By taking a logical eye to basic questions about what a recent graduate’s life looks like is critical to understanding the full impact of networking and seeking an employment opportunity in these cities. My goals include completing my Bachelors and Master’s degree in Accounting at the University of Mississippi May 2022. In between this time I hope to accomplish during summer my Junior year applying and accepting a Summer Leadership Program and summer my Senior year interning at my desired company after achieving Bachelors in Accounting and a Minor in French. Summer after graduating from the Master’s program I hope to accept a job and move to my city. I would like to be a public tax accountant with my CPA with potential for international involvement.

Throughout my research between both cities, I learned that there were some similarities that I had not thought there would be before. This was a very insightful case because I had not gone into deep research over two areas I had general knowledge about. I am asked a lot as to which city I would like to move to in order to pursue my career, along with the many other characteristics to consider about where the city would lead me in accounting, I feel more comfortable knowing the daily lifestyle that I will be
encountering within my first couple of years out of the University of Mississippi. Now, I feel more knowledgeable and calm when the next time I am asked where I am looking to live and why I want to move there.

The population of Dallas is 1,345,047 and for Houston is 2,325,502 as of 2018 (Bureau). These cities both have a large population and therefore the living expenses and other related items will be significantly higher than smaller cities. The climate for Dallas is humid with temperatures reaching roughly 77 degrees in the summer and 57 degrees during winter daily (Climate of Dallas). In Houston, the temperature fluctuates between roughly 94 degrees in the summer and 43 degrees during winter (Climate of Houston). Living in the South, I am accustomed to the hotter temperatures and am unfamiliar with very low temperatures.

Dallas has many geographic features and scenery, to include a relatively flat landscape with few hills and the Trinity River (Fig. 2). In Houston, the geographic features of the area include a relatively flat landscape with few hills and the Bayou River. Both of these cities offer several site seeing activities for relaxation and for visits from family or friends.

There is no state property tax rate in Texas. For transportation Dallas offers the Dallas Area Rapid Transit (“DART”) along with biking and driving (Dallas Independent).
Houston provides a metro, biking, driving, and a park and ride the metro systems (METRO). These options offer a wide range of transportation availability for when I will need to commute from my apartment to the office. Dallas most prevalent industries are technology, financial services, defense (Dallas, TX) and the largest companies as of 2019 are Exxon Mobile Corp., McKesson Corp., AT&T Inc, Energy Transfer LP, and American Airlines Group Inc (O'Donnell). Houston’s industries are advanced manufacturing, energy, biotechnology & life sciences, headquarters, digital technology, and transportation & logistics (Houston Industries) and its largest companies as of 2019 are Philips 66, Sysco Corp., LyondellBasell Industries, Enterprise Products Partners LP, and Conocophils (Bizjournals.com). These statistics offer insight on the wide range of growth in both cities and indicate a wide range of opportunity for vertical growth within a firm for larger accounts.

Along with several hospitals and the Center for BrainHealth, Dallas also offers the Southwestern Medical District and the Parkland Health & Hospital System. (Category:Healthcare in Dallas) Several hospitals are located in the Houston area and the Texas Medical Center. The DePelchin Children’s Center and the Harris Health System also cover a large amount of health-related concerns. (Category:Healthcare in Houston) Health care would be accessible and include several amounts care options. There are approximately 8,000 students that graduated in 2018 in Dallas and 150 dual-language programs offered (Dallas Independent), while Houston offers an assort of programs to
over 100 school districts to meet the needs of the students (Communications). My children would attend a public school for the first couple years as I am building a college fund for them and later on they might attend a private high school in preparation for college.

The most common type of crime in Dallas is 2016 (pop 1,320,939) violent crime (10,071) murder and nonnegligent manslaughter (171) rape (767) robbery (4,604) aggravated assault (4,529) (2016 Crime in the United States) with the most dangerous neighborhood being Five Points. In Houston, 2016 (pop 2,334,348) violent crime (23,960) murder and nonnegligent manslaughter (301) rape (1,210) robbery (9,962) aggravated assault (12,487) (2016 Crime in the United States) with the most dangerous neighborhood being MacGregor. Overall, as long as I avoid the dangerous areas and pay attention to safety precautions when moving to a largely populated and a city with lots of visitors I will maintain a safe lifestyle with little risk of falling prey to some of both cities’ major crime.

For the first three years, I am expecting to pay around $1,300 for rent in both Dallas and Houston as a recent graduate student with an income of $60,000. A possible property for Dallas might be a listing for 9855 Shadow Way (Fig. 4) with 729 square feet, 1 bed / 1 bath for $895 per month before I move to a larger space. This property includes a covered parking recurring expense of $15, air conditioning, microwave and oven,
refrigerator, and a laundry facilities (The View). In Houston, an option for an apartment could be 13411 Briar Forest Dr (Fig. 5) with 651 square feet, 1 bed / 1 bath for $1,090 per month (The Dawson). This property includes washing machine, drier, disposal, and air conditioning. The neighborhood includes an access gate and a parking garage. I would choose to live in Dallas from this perspective and search for a residence similar to the one on Shadow Way.

The typical mode of commuting in both Dallas and Houston is either taking the public transit systems or driving. For both cities my likely commute times are around 7:20am to commute for work around 8:00am, 11:30am for lunch, and 5:15 for the end of my work day to go back to my apartment. I will shop at a Walmart close to my firm in both Dallas and Houston. After grocery shopping, I would utilize the laundry services in my apartment complex to wash my laundry, either in the apartment or at a local laundry mat.

In Dallas, Act Beyond, Alliance For Children, and American Heart Association and in Houston the St. Michael’s Catholic Church, Houston Humane Society, and the Ronald McDonald House Houston are all organizations I could see myself being a part of in these Texas cities. I think that getting involved as a member of a new community is a way to meet the locals and build a network of people to rely on. For recreational activities, Dallas offers an Escape the Room, Zero Gravity Thrill Amusement Park,
TopGolf, a theatre, and the Dallas Comedy House. For Houston, the city offers Bayou City Bike Tours, horseback riding on Cypress Trails, Lakeside Country Club, Champions Golf Club, and Eleanor Tinsley Park. These activities would all be fun during the weekend after a work week and great to do with friends and family that come to visit during holidays.

I would prefer to fly back home when traveling instead of driving over 5 hours from each city. The flight would last about an hour and my family could pick me up in the Jackson Airport. A ticket is priced about $150 for both a trip from Dallas to Jackson and from Houston to Jackson, so an overall trip would cost about $300.

My operating budget for both cities follows in USD (Fig. 1).

Looking at both cities, I would prefer to live in Dallas, Texas. This area offers a lot of the amenities and recreational activities that I would like to participate in. Along with getting involved with the community, I believe that area is one that I would prefer over Houston. Although the rent is higher for the property I located in Dallas, I think the location is one that I would thrive in based on my analysis of the two areas.
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Case 2: EXCEL CRASH COURSE

See Fig. 6.
Case 3: BREXIT

This case study surrounds the issues of Brexit and the concerns with what Britain will choose in the vote coming up. Either Great Britain will choose to remain in the European Union (EU) or leave to be independent of it. I analyzed a video in protest for leaving the European Union and then further researched the viewpoint of staying in the EU. The information I gained will help me in the future with my career so I can be informed with not only domestic issues but also international issues that could affect the clients I have. I will also have viewed many different perspectives and gained valuable practice in regarding opposing arguments and coming to a conclusion on what I think would be reasonably correct in regards to an issue.

The findings I made addressed similar concerns over trade agreements, the effect on the market, unemployment, and the overall quality of life for those residing in Great Britain. Several were concerned, too, over what would happen to those with restricted jobs that were being handed over to other countries. By analyzing the different aspects of this issue, I have grown in being able to search for more information over areas that are conflicting. There are several opportunities for conflict in Accounting and being able to take apart the key arguments and come to a reasonable response is key to making sure that the problem is addressed accordingly. These international concerns will also affect
the country that I am employed in, whether it be through my client personally or through
the tax codes or regulations that must be implemented at the time.

    The first issue is that the population is generally confused as to who is in control
of the EU, in inability to vote on decisions that affect their daily lives, and not being
allowed to efficiently hold those in charge accountable for their decisions. The people of
Great Britain are not allowed not only a vote in the decisions, but also not allowed to hear
the discussions being made that lead up to the decisions. During the video with individual
testimonies, several of the people pointed to the idea that the decision should be a
democratic purpose and suggested that history and tradition are not being recognized, i.e.
the Magna Carta. This document is what Great Britain has relied on and followed up until
the point where they have thrown away their rights by joining the EU. Along with the
idea that it is difficult to point to a single person to be solely in charge of a decision, the
same issue arises with the concern of the EU buying the opinions of others. This point
suggests that those that are involved with the EU, receive funding and resources from the
EU, and therefore protest for the EU.

    More recently there seems to be talk of remaining in the EU amid talk that there
has been a disagreement between British and Irish prime ministers as Mr. Johnson “may
instead decide to send conflicting requests to Brussels in order to sabotage any Brexit
delay forced by parliament” so that Great Britain could avoid voting for leaving the EU
(Brunden). However, this conflict might push Great Britain to not being able to come to a reasonable stance on the issue and therefore proving that there needs to be an overall power supporting the country. The population is also not all in unison when it comes to where to place their vote on the Brexit decision, suggesting that there might be more time needed in the EU that a future vote could be less split.

The transparency issue trickles down from the head of the organization to the several laws and regulations governing each individual items. People are concerned with what can be brought into Great Britain versus what is being delivered out. There have been several outcries relating back to the war with Germany that Great Britain won, but was left with having to ration everything that they had for a longer period than Germany. Great Britain considers, as a side to this decision, that they should attempt to utilize the methods such as becoming more dynamic and successful by getting rid of regulations, price fixation, and trade barriers. These are all highly restricted under the EU and several people want to see Great Britain return to its sought after government and trade giant that was present before joining the EU claiming that the EU has brought their country down by making them follow rules that ultimately harm the country and its people.

Although opposing the idea that the EU has ultimately harmed the people of Great Britain is the idea that remaining in the EU will lead for the country to be one of the leaders in improving outward-looking and openminded country because “EU citizens
can secure their immigration status under UK law”” (O’Carroll). While other countries are continuing to send away immigrants, Great Britain will be able to accept these people and include them in their work force leading to a better overall economy. There will also be a decrease in resentment towards the government as these EU citizens have been waiting to be welcomed into Great Britain and therefore there will be an increase in quality of life for each individual in the population.

Another major argument against the remaining in the EU is that it ultimately harms overall producers by protecting and funding inefficient producers in order to keep trade deals with other countries. Some of these examples include removing fishers from most of the area they have worked generations at to create room for other nations to fish out of, decrease the amount of raw sugar for cane sugar meaning Great Britain’s workers have a high turnover rate and a decrease in profits for the industry, and protecting one steel industry than getting their steel at a lower rate from America or China. These all offer protection for one industry and decrease the amount of competition, leading to an increase of prices for these items and more. Another opinion suggests that the EU has become the only trade barrier and that Switzerland is proving that by not joining the EU their economy has been able to exceed expectations. Switzerland has five times the amount of free trade agreements, one of the lowest unemployment rates, a twice higher rate of GDP per head, about twice the amount of wages per head, and a higher level of income equality compared to Great Britain. People in Great Britain hope that the decision
will fall in the vote to leave the EU in order for the trade barriers to be removed so they can trade with the rest of the nation freely and will be able to trade with the EU regardless of being in the EU, similar to how other nations can.

The EU is Great Britain’s largest trade partner “accounting for 44% of total UK exports of goods and services in 2017” (Ziady) meaning that in the event that the UK leaves the EU, the government would suffer without a sufficient plan in place to prevent such a drastic loss leading to an increase in total debt. If Great Britain decides to remain in the EU, the population would increase private consumption and ultimately raise economic growth. Overall, there is no clear plan to make the transition from being heavily invested in the EU and benefitting in all these sectors to going becoming more independent and expecting the same results or better immediately. There will be a form of a plateau or a decline depending on how much of a cushion Great Britain has if they were to leave.

I side that Great Britain should leave the European Union under the idea that they would be able to build their economy and strengthen their industries without aid from the EU. Although they have received benefits from the EU, the overall harm to the country is enough for me to think that if Great Britain remains, the damage would be worsened. It is within the country’s best interest to freely trade with the rest of the world and not be limited in which industries they need to protect and which regulations to follow as not
only is the government suffering, but the people are suffering as well. Great Britain needs to focus on what is best for the most amount of people, its population, over trying to be a leader in overall open-mindedness, because the overall gain would be trying to help themselves over others.
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Case 4: CAREMARK RX

This case consisted of a detailed financial analysis of a large company. The company that our group was given is Caremark RX, a widely known subsidiary of CVS. We were prompted to evaluate the makeup of our company through analysis of the 10K as well as other financial statements and related footnotes. We were able to look in depth at the nature of the business as a whole, where and how their profit is generated, as well as locations and their purposes. The 10K also provided us with details about Caremark’s auditors and their signature of approval on their financial statements that were released to the public. We were also able to dissect each part of the company’s balance sheet as well as identify certain accounting principles that they have adopted in regards to inventory and revenue recognition. This case allowed us to identify Caremark’s customer base, specific sources of revenue from this customer base, Caremark’s suppliers and what they supply. The financial reports provided us with a detailed understanding of what costs are incurred and which costs are placed into cost of goods sold, and why. We examined the progress of the company over the past few years in regards to revenues, expenses, net income, cash flow. Lastly, we were able to understand which sections of the balance sheet contained judgements or estimates in reporting and how these are used in a real-life setting. This case as a whole allowed us to apply our previous accounting knowledge while evaluating real financial reports from a large company in analyzing what is
changing and occurring in the business and how this might affect different sections of the end of year reports that are visible to the public and stockholders.

Caremark RX defines themselves as the pharmacy benefit management portion of CVS’s business that processes prescription claims. It is distinct from CVS’s pharmacy operations in that CVS is a high-volume operator that deals directly with drug manufacturers, setting prices, and handling mail orders. Caremark RX is able to generate profit from prescription drug sales as well as name brand merchandise. The two revenue streams are labeled as “Pharmacy” and “Front store and other” on the related revenue statements. Front store and other refers to products such as over the counter drugs, personal care items, and cosmetics. These are the two main categories in which Caremark provides business for CVS which are shown in Fig. 7.

Caremark is headquartered in Woonsocket, Rhode Island and they do business in 49 of the 50 states in the United States as well as in Washington D.C, Puerto Rico and Brazil. Caremark’s fiscal year in regards to financial reporting ends on December 31st, the end of the calendar year. Caremark RX’s auditors are Earnst & Young LLP, at the Boston, Massachusetts location.

Caremark RX’s asset portion of the balance sheet consists of cash and cash equivalents, short-term investments, accounts receivable, inventories, other current
assets, property, plant, and equipment, goodwill, and intangible assets. Cash and cash equivalents consist of cash and temporary investments with maturities of three months or less when purchased. Caremark also invests in short term money markets and other debt securities that are also considered cash equivalents. According to the 10-K, “These funds are highly liquid and readily convertible to known amounts of cash.” Caremark has short-term investments, consisting of “certificates of deposit with initial maturities of greater than three months when purchased that mature in less than one year from the balance sheet date.” An example of a short-term investment would be an entity such as a savings account or government bonds. Accounts receivable are outstanding balances that are owed to the reporting company. This amount is reported as “net”, meaning the balance of estimated receivables that will be uncollectible at the end of the period are deducted from the total amount receivable.

Caremark’s main source of receivable balances are amounts due from third party providers, clients, and vendors. Caremark’s inventories are stated at the lower of weighted average cost or market. Inventory counts are taken on a regular basis in each store and pharmacy and are continuously counted throughout the cycle to validate inventory balances on hand at any given time to ensure that physical amounts match reflect those reported in the accompanying consolidated financial statements. Other current assets are generally a group of different things that Caremark values and benefits from that are not under one of the main current asset categories. Property, plant, and
equipment (PPE) includes property, buildings, equipment and improvements to leased premises. According to the 10K, “They are depreciated using the straight-line method over the estimated useful lives of the assets, or when applicable, the term of the lease, whichever is shorter. Estimated useful lives generally range from 10 to 40 years for buildings, building improvements and leasehold improvements and 3 to 10 years for fixtures, equipment and internally developed software.” Goodwill represents an intangible asset that is acquired when a company buys an existing business. Goodwill is not amortized over time, but it is subject to frequent reviews to evaluate its value. Intangible assets include things such as trademarks, leases, and patents.

For Caremark, purchased customer contracts and relationships are amortized using the straight-line method over their estimated useful lives between 9 and 20 years. The liabilities section of Caremark RX’s balance sheet consists of accounts payable, accrued expenses, short-term debt, current portion of long-term debt, long-term debt, deferred income taxes, and other long-term liabilities. Accounts payable are generally amounts that are due to parties for services or products that have already been received, but have not been paid for. In other words, they are purchased on credit. Caremark’s accounts payable are generally comprised of purchases for goods, interest, and insurance. Accrued expenses are expenses that have been incurred, but not yet posted in the general ledger. These appear on the financial statements due to an adjusting entry made at the end of the period to account for expenses that are yet to be posted. Short-term debt is debt that
is expected to be paid off within one year or before the end of the accounting period, whichever is longer.

Caremark’s short-term debt is solely consolidated of commercial paper. Commercial paper is money issued by a corporation, usually to finance accounts payable or inventory accounts for the short-term. Long-term debt is any other form of debt which will be paid off after one year or after the current accounting period. As long-term debt matures, portions become current, because they will be paid off in the current year, but were originally considered to be long-term. This section of the balance sheet is dedicated to long-term debt that will be maturing this year or within the current accounting period. As previously mentioned, long-term debt is any debt that will not be paid off within one year or within the current accounting period. Caremark’s long-term debt is comprised of multiple notes due. These notes are due at different times in between 2018 and 2045. Under long-term debt, Caremark has a section labeled “deferred income taxes”. When income taxes according to tax laws differ from those according to the company’s statements due to a difference in income recognition, the difference can be recorded as a liability under deferred income taxes. Any liabilities due after one year or the current accounting period that do not match the definition of any of the terms above, can be categorized under other long-term liabilities.
The equity section of Caremark RX’s balance sheet consists of preferred stock, common stock, treasury stock, shares held in trust, capital surplus, retained earnings, accumulated other comprehensive income, and noncontrolling interest. Preferred stocks are shares of stock that provide a fixed dividend. The payment of preferred stock is prioritized over the payment of common stock. Caremark has no preferred stock on their balance sheet, and reported a balance of zero. Common stocks are general shares of a company. Owning shares of common stock give the stock-owner a portion of ownership and may provide payments, referred to as dividends, after certain periods. Caremark’s common stock shares have a $0.01 par value.

Caremark authorized 3,200 million shares, issued 1,705 million shares, and had 1,060 million shares outstanding at December 31. Treasury stocks are shares outstanding that are purchased back from the issuing company. Caremark values their common stock at the cost at repurchase and as of December 31, they had repurchased 697 million shares of treasury stock. The sum of these shares is 37,765 million which is deducted from the Stockholders’ Equity section of the balance sheet. Shares held in trust are designated for use under various employee compensation plans. Because the company owns these shares, they are excluded from the computation of shares outstanding. Caremark maintains grantor trusts, which holds approximately one million shares of its common stock as of December 31. Capital surplus is the amount of money that is made on the sale of common or preferred stock that is over par value. When shares are sold for more than
the company values them, the excess is added to Stockholders’ Equity under the capital surplus section. It may also be referred to as additional paid in capital. The amount of accumulated net income a company has at a given point in time is referred to as retained earnings. Retained earnings are carried over from period to period.

Retained earnings is reported less any dividends declared to pay to shareholders. Accumulated other comprehensive income consists of changes in revenues, expenses, gains or losses that have not yet been realized. Generally, it consists of gains and losses on investments, pension plans, or hedge funds. Caremark’s loss due to accumulated other comprehensive income was due to losses associated with retirement benefit plans, hedge funds, and cumulative foreign currency translation adjustments. Noncontrolling interest is the portion of equity ownership in a subsidiary not attributable to the owners of a corporation. Due to the acquisition of Omnicare in 2015, Caremark obtained a 73% ownership interest in an LLC. This ownership was valued at fair value and the company purchased the noncontrolling interest in the LLC for $39 million.

Caremark describes their clients as primarily employers, insurance companies, unions, government employee groups, health and Medicare plans, managed Medicaid plans, and individuals. Clients have access to their services through both public and private exchanges. The specific sources of revenue include pharmacy benefit
management, prescription drug sales, OTC drugs, and general merchandise sales. The breakdown of revenues by specific sources can be shown in the graph in Fig. 8.

According to the footnotes of the financial statements, revenue is recognized when, “persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the seller’s price to the buyer is fixed or determinable, and collectibility is reasonably assured. Revenues from mail service prescription drug sales are recognized upon delivery. Additionally, revenues from third party pharmacy prescription drug sales are recognized at the point-of-sale, which is when the claim is entered in a processing system. The majority of revenue comes from inside of the United States, as almost the entire business is located within the United States, and drug sales outside of the country are subject to extremely high regulations. Revenue from inside of the United States is shown in the Fig 9.

Caremark’s main supplier is CVS. They provide Caremark with their prescription drugs, which is the majority of Caremark RX’s business. Cost of goods sold includes physical costs of the products sold as well as buying and warehousing costs. These costs are added together and deducted from total revenues to evaluate gross profit. Operating expenses in the Pharmacy Services Segment include selling, general and administrative expenses, depreciation and amortization related to selling, general and administrative activities, administrative payroll, employee benefits and occupancy costs. Operating
expenses in the Retail Segment include separate selling, general, and administrative expenses as well as depreciation and amortization expenses. These expenses help generate productivity which in turn generates revenue through sales of products and services offered by Caremark.

Revenues and expenses have fluctuated throughout the past three years. Revenues have increased consistently from 2016 to 2018. Revenue in 2018 was equal to 194,579 million. Revenues increased from 184,786 million in 2017, and 177,546 million in 2016. Expenses have also been steadily increasing from 2016 to 2018. Total expenses in 2018 were equal to 190,558 million, 175,248 million in 2017, and 167,160 million in 2016. According to related footnotes, the increasing revenues are increasing primarily due to an increase in the pharmacy services segment. Increasing expenses are due to increased goodwill impairment charges and an increase in acquisition-related expenses. CVS Health is primarily made up of Caremark, and CVS Health bought Aetna, a health insurer, in 2018 which is a large contributor to the increasing acquisition costs that increased total expenses.

Caremark’s had a net loss of 596 million in 2018. However, Caremark’s cash flow statement showed an increase in 2,395 million in cash throughout the course of 2018 due to operating, investing, and financing activities. The net loss was due to expenses attributable to mergers and acquisition costs. These expenses are not expected to recur.
because they are a result of the purchase of Aetna and merging of CVS Health and the health insurer. There was an increase in cash flow primarily due to the closing and selling of multiple stores around the United States. The selling of these assets compensated for the high expenses in the cash flow statement.

There are accounts included in Caremark’s balance sheet that contain estimates and/or judgement to report. Estimates have to be made for various assets and liabilities arising from Caremark’s participation in the Medicare Part D program based on past information and predicted future events. Estimations due to the Medicare Part D program include estimates of low-income cost subsidy, reinsurance amounts, coverage gap discount amounts payable or receivable, and estimates for claims that have been reported and are in the process of being paid or contested and for claims that have been incurred but not yet reported.

In regards to past estimations of these assets and liabilities, the effect of these estimations has not been material to Caremark’s financial position. Allowance for doubtful accounts is estimated as a predicted amount of receivables that will eventually be uncollectible. Estimates for inventory losses are also made for eventual losses that will be incurred, meaning the inventory that will never reach the customers. Both allowances for doubtful accounts and estimates for inventory losses are estimated based on past performance and management’s predictions for the future. Amounts assigned to
identifiable intangible assets and goodwill are established from management estimates and valuation techniques. When preparing these estimates, historical results, current operation trends, sales, profitability, cash flow, and forecasts are considered and taken into account. Significant judgement is required for determining income taxes and the related taxes payable since, in the ordinary operations of the business, there are transactions where the ultimate tax incurred is uncertain to management. Caremark believes that their estimates for income taxes and related taxes are reasonable and estimated to the best of their ability given the available information, actual results could differ from these estimates in a material way.

Throughout the analysis of Caremark RX, we scrutinized the financial information provided primarily in the 10K. The information we found was primarily able to show the different types of accounting principles that are in use by Caremark. We practiced looking at the financial statements and recognizing the parts of the statements from our previous knowledge. After recognition, we followed the progress of the company and saw the growth over the years. Given a large company, there were many aspects that branched off from the main statements that provided more information about how Caremark operates. The case study aided in our understanding of how companies, specifically a large subsidiary perform.
Works Cited


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Case 5: IN-CLASS ASSIGNMENT

This case study was performed in class, therefore this page will remain blank.
Case 6: POL ECONOMICA VIDEO

This case is about the thoughts and opinions of Dr. Thomas Sowell about topics relating to economic inequality and the overall government stance. He explains that as he was growing up, there were several different interests within the government and the individuals in and out of the institution that became vivid through his life experiences. That these different interests effects most of the African American community and the overall quality of life throughout the whole country. The system, therefore, plays a part in the life that these races and classes endure daily. Dr. Sowell bases his decisions on the consequences of the decisions being made regardless of the improvements or pros of the decision. If the consequences outweigh the pros, then the decision should not be made.

Throughout this case study, it has become more obvious to me that through listening to Dr. Sowell that being educated and listening to different viewpoints is crucial to decision making. Listening as a skill has been expanded through this video lecture in the duration of my time during class and I find it interesting to test my own opinions and standpoints. Not everyone grew up the same way and has the same experiences. These experiences change the minds of each individual along with their political stance. A lot of decisions are based off of past history, but through learning from present day I can see that these decisions of the past affects the present day lives of the population today. With new acceptance and improvements being made, I understand the importance of
accounting as a field and feel motivated to continue trying to get to the point to make changes for people through financial means to ultimately change their lives. Financial stability is crucial to the opportunities that can be presented to individuals. I recognize now, to a deeper extent, that this career is important to trying to make informed decisions based off the people and the institutions to come to a common ground for the betterment of the population.

Dr. Sowell believes that the government has its own interests built into the decisions that have been made, and I agree with this thought process and feel more secure in my belief. He also says that we rely on processes instead of the people’s decisions because the government has surrogate decision making which cannot replicate the people’s choices. The population is heavily restricted by the institutions pressed onto them from the start of their lives. I also agree with these statements because people are born into the conditions that are built for them. These conditions cannot be changed overnight and do require jumping through hoops and going through channels to get to the result that is highly likely to not be apparent until after a waiting period. Several decisions must have evidence to back the claims up. Another section of concern is the “retrogression,” where the poverty rate among African Americans has continued to fall. I believe that evidence is crucial to backing beliefs and this topic is hard for me to get behind. I believe that there are several statistics backing that opportunities are growing for African Americans, although these conditions are still not ideal.
There is a huge setback that I recognize, and that I believe is obvious, that lifestyles are chosen at the very beginning. There have been improvements being made that aim towards improving the gap, but there is still an uphill battle taking place to get the population set equally. Dr. Sowell has impressed on me that people should not be so easily persuaded to base thought processes based off of what the institutions and what other people’s visions are, but to instead look at the evidence that is presented to make decisions. I do fall prey to going along with what others think and base my decisions off of theirs when I do not feel educated enough on the topics, but after watching this interview I feel driven search for the hard facts and let those resonate and see if they align with what I think is the best for the people. It is not possible to know everything and predict the future results of decisions, but being educated and well informed enough is superior to blindly following.
Case 7: REGULATION FAIR DISCLOSURE

This case is consistent of the practices and cases of Regulation Fair Disclosure. Throughout the readings I was informed of some of the may examples where this regulation is used to prevent violations. There are several cases where the regulation is also a confusing factor that is determined individually. Definitively, the regulation is in place to provide an even base of information without misguided numbers for investors and the general public.

Throughout this case study, it has become more obvious to me that through the suggested articles and examining the varying viewpoints is imperative to decision making. Critical thinking as a skill has been expanded to test my beliefs alongside those of what is ruled to be fair. Events have tested the rules and provided better insights. Relevance and faithful representation are two characteristics that are a large part of the depiction of the company. I am amazed by how detrimental these decisions can be to the company. Reading how one seemingly innocent mistake lead to the downfall of a relatively success company stresses the importance of keeping within the rules as each are set up for good reasons. I believe this reasoning plays into daily individual operations with understanding and not straying from rules set up to not only protect yourself but others.
Regulation Fair Disclosure is a regulation by the Securities and Exchange Commission where companies release to the general public material information that it disclosed to individuals outside of the company during the period. By releasing the information, the client and the public will have full and unbiased data that they will be able to use to make financial decisions. These financial decisions are crucial to the company’s stock prices, reliability, and overall operations. Without disclosure there could be misinformation being spread that might hinder the company.

A large part of the existence of Regulation Fair Disclosure is protection from events similar to Jack Grubman. The analyst overstep his role and sat in on critical meetings discussing investors reactions to the company. This information was then discussed and the company inflated its prices, ultimately leading to an outstanding 99 percent value stock lost in June 2002. The company, Salomon Smith Barney, was reduced to a penny stock after misrepresenting $3.9 billion in costs. Clients lost trust and money in the entity and the company was shattered. To prevent these instances from happening, the Regulation Fair Disclosure regulation is important to keep up to date.

Another key factor is the daily interactions between the analysts and the companies. From one point of view of David Smith, the Regulation Fair Disclosure provides a structured lane for each of the parties. The incentive to not disclose
information for the analysts is that the information will be published along with financial guidance that steers the success away from the analysts and to the managers. Keeping this information separate will protect the analysts’ success. This does pose a threat of limitations to the analyst in their work with the company, however for individual investors this rule is win. Now investors will have the more information on the decisions they make.

The client did violate Regulation Fair Disclosure because his personal Facebook page is not the appropriate place for the information and is not accessible by the public. The client should post this information in his financial statements and to the appropriate sources to be accessible to the general public. Once this step is taken to disclose the materials, then the client will not be violating Regulation Fair Disclosure. It is imperative that he corrects this action to adhere to the general accounting characteristic of timeliness so that investors and other general public members can make financial decisions. The article by fortune does not change my opinion on the CEO’s decision. I think that he should adhere to the rule to the best of his ability and as thorough as possible.
Case 8: YOUTUBE CHANNEL TAX

This case has taught us to have an quizzical point of view and to reevaluate small details to arise at a conclusion that is within our best efforts to protect Emma. Through the additional information our research has provided, our thought process has been heightened and our knowledge of the tax qualifications and regulations increased. This case is especially important as we reach graduation and generate an individualistic income, we understand the decisions and amounts we create will have regulations and boundaries. It is imperative that we recognize the additional responsibilities to accurately abide by the laws. Several times we think that there are more financial liberties, these opportunities are linked to more considerations.

This case made us all aware of the new rules to tax code that were passed in 2018, and how tax brackets and deduction values changed. It was an interesting case to evaluate, and we were able to see the different types of ways something that seems simple like YouTube revenue can be taxed in different ways (such as self-made income taxes, unearned taxes, etc.). The different rules regarding what defines a tax evasion penalty was also informative to learn. We had heard of plenty of examples of employers or individuals being charged of tax evasion could affect a company, but looking into a case where we could determine who was at fault was interesting. As the three of us either continue to take our tax classes or take them soon next year, it will be good to learn what
future practices are best to know in regards to how taxes should be filed under all types of scenarios bringing income to people.

Hi (Partner/Coworkers)

On this day, February 12 2020, we found that Emma, the daughter of our CEO Mark Denver, has been creating an income of $10,000 to $15,000 per month from a personal YouTube page that has been monetized through Youtube’s AdSense program with non-copyrighted songs she lip syncs. The popularity of the page has caused the advertisements of her videos to bring in this income. This results in an earned income of $120,000 to $180,000 each year ended period and for the past four years $480,000 to $720,000. Emma has taken this amount and invested it in an interest bearing account without paying the appropriate taxes on the earned income. Being at such a young age (13), it is in the best interest of the individual, the family, and the business to find a means to protect Emma at this time. I will be reaching out to Mark Denver today explaining this addition to his tax returns, and will be suggesting the proper steps to report this income properly. I will also give suggestions for ideas she could do with her channel to potentially lower the taxable income that comes from her channel. We do strongly vouch that Emma and her parents were without knowledge (Tax Evasion and Defenses) of the act and should not face persecution under the law. The family should pay in full the amount that is owed to the US Government with a penalty and potential for a payment plan.
An additional suggestion to consider would include research and potentially implementation of forming a company to protect Emma and to get out of self-employment.

Your Trusted (Accountants/Coworkers),

Payton Argabright, Meg Case, and Logan Gage

Hi CEO Mark Denver,

We appreciate the opportunity to work on your personal tax return for the fifth year. We believe there is reason for concern addressing the measure of tax avoidance from Emma’s Youtube earned income. Due to the lack of knowledge surrounding the missed tax payments, there will not be a reason for legal retention from the US Government. These payments will need to be paid over the course of a consultation with the IRS to fully avoid further penalties. There could be potential for a penalty required in addition to the missing amount. We are working on accounting for the exact payments that will be necessary due to tax bracket rates decreasing in 2018 as well as standard deduction values increasing and changes in self-employment taxes. If it is true that Emma is making upwards of 15,000 per month, there could be over a quarter of a million dollars earning interest in her personal accounts that are not being taxed for. Her self-made income as well as the calculated 55,000 dollars of interest her account has accrued would need to begin to be filed. We would like to further communicate with you to fully disburse this issue. As long as Emma continues to make over $12,000 each year, Emma
will need to file self-employment taxes (IRS Tax Form). Emma’s self-employment tax is $20,000 and you will be at liberty to deduct half of this amount and owe an estimable $10,000. There is no additional Medicare tax because Emma is under the amount.

Moving forward, one thing to consider would be to form a company instead of having your daughter subject to self-employment considerations. Not only would this relieve the self-employment taxes, but it would allow certain business deductions for income taxes as well as removing any personal liability.

Your Trusted (Accountants/Coworkers),

Payton Argabright, Meg Case, and Logan Gage

Youtube Channel Name Idea: Emma Making Money Always (Get it? E.M.M.A.!)
Works Cited


Case 9: BLOCKCHAIN

The purpose of this blockchain case study was to simulate the events that take place within a blockchain. A blockchain is a system that records and transmits data across many computers that are linked through a virtual network. The blockchain starts off with a transaction, that is then verified by confirming information such as the transaction amount, item, vendor and purchaser. Once verified, the transaction is stored in a block and given a hash, which is a number-letter combination that indicates the previous block in the chain, and added to the blockchain (Bradley, Richard). Each block corresponds to the previous block in the chain, thus if there is an error, the subsequent blocks are compromised. Due to the fact that single blocks once in the chain cannot be changed, a new block with accurate information needs to be added, referencing the block with the error. Blockchains record information in order of occurrence and are an efficient way of recording information able to be accessed by specific users.

It is important to study blockchain as aspiring accountants because this technology is being used to sort, store, and keep track of important data that accountants use in their daily lives. It allows accountants to search for transactions between parties and provides information that is easily available to review for financial statements. Our class simulated the blockchain by purchasing transactions within multiple monopoly games, verifying these transactions with the authenticating team, and then submitting
them to the general journal. Our role within this chain was to act as the ‘runners’ between the authenticating team and the general journal. In essence, we were acting as the bandwidth of the blockchain we were participating in.

While engaged in the blockchain case study, we were tasked with being ‘runners’ of information, going back and forth between the information given, and the general ledger. As the game of monopoly was played by our classmates, it was our responsibility to collect all of the transaction data to store and process in the general ledger. Although this task seemed relatively simple, it proved fairly challenging with the amount of transactions taking place at one time. The communication of information between the monopoly players and the ‘runners’ were inconsistent, as many participants described the place, property amount, rent payments, and purchasing information differently. Thus, when giving information to the members that recorded entries to the general journal, many items of information per each transaction were unclear, or missing. This created inconsistencies and incompleteness within the general journal that could have been avoided. These communication errors resulted from human error, not necessarily technological errors. If this system had originally been completed in an online blockchain, these informational errors would have not occurred.

Another part of our role as ‘runners’ was to verify information to prevent inconsistencies. We were given a ‘security key’ which included all the names of the
players making transactions with a two digit number associated. Upon receiving transactions we verified the participants were the accurate people making the payments. This task is important to be familiar with as with blockchain there can be discrepancies that must be verified so the correct information is processed. The goal is ultimately to avert bad transactions that result in error in the future. In blockchain there are several identification measures that are in place to verify the user. Without this system, accounts could be compromised and identities stolen. During the activity, ‘runners’ shared photos of the ‘security key’ to create flexibility where sharing one copy would slow down the process. We were able to individually identify and record transactions without having to pause for reference or wait for the ‘security key’ to be reviewed by another ‘runner’ on our team. In blockchain there are several systems set up with these basic verification codes that can aid a transaction without waiting for the key.

Further, we were tasked with verifying the transactions being made through ‘Big Mama’ and ‘Big Papa’ or the parties selling items of the monopoly game. By communicating with these sources and approving transactions being made, the game was ultimately able to run efficiently after the beginning confusion. These parties acted as an additional system in blockchain that must be verified. The hierarchy involved and the multiple checkpoints for the ‘business managers’ during the game is similar to how the actual blockchain system is structured. After initiating a transaction, bringing the information to the appropriate parties, verifying the characteristics of the arrangement
and at length gaining approval the faction was able to carry on with the game. The whole process is conducted in a timely and accurate manner within blockchain, while the activity proved challenging for individuals to perform. From this it was understood that blockchain’s current systems are essential as over 44 million are users. Communicating with the parties selling parts of the game did aid in preventing discrepancies, however stepping into the additional role of interacting with the ‘business managers’ of the game with payments made created confusion. The players did not always have information readily available, which lead to moments of uncertainty and created lag.

One thing we learned was that our role as a ‘runner’ was to act as the ‘bandwidth’ within the chain. The bandwidth’s main purpose is to transmit signals and data from one computer to another. Our role was something obsolete in this process, that ended up making the process more complicated than necessarily intended. One of the reasons this complicated the process is due to the inconsistencies in the information transmitted. The ‘runners’ can transmit incomplete data that would have otherwise been accurate if the individual players, who knew what was going on with the particular transactions, input the data into the system, rather than the ‘runners’ interpreting information. The ‘runners’ can also get distracted with other transmissions, and also get lost when going back and forth from the hub to the general ledger. This would result in lost data that cannot be recovered. Due to the influx in transactions taking place at once, not every ‘runner’ was able to go back and forth between the ledger and the authenticators between each
transaction, creating lapses in time. This also affects the block chain due to the fact that the blocks rely on the previous transactions or blocks in front of it, which might not have been recorded due to these human errors. Not only did the frequency of transactions alter this data, but the process created duplicate copies due to the fact that members inputting data into the general ledger would take photographs to keep up with the transaction overload. All of these errors could have been avoided having a synchronized system involving the input of data into a virtual blockchain system.

This case study has taught us that a blockchain is very important to accounting information systems. It is created for the ease of use of the user, including inputting data and speed. The blockchain allows accountants to be able to know “how to advise on blockchain adoption and consider the impact of blockchain on their businesses and clients” (Blockchain and the Future of Accountancy). Without these systems, accountants would be preoccupied with inputting data instead of being able to assist clients. The blockchain acts as a bridge between the technological aspect of accounting and the traditional physical data structures. Blockchain takes several security measures including several forms of verification and separation of roles that are essential to an efficient process. These methods take the pressure away from the accountants so they can communicate with the client in an effective and efficient manner.
Works Cited

“Blockchain and the Future of Accountancy.” ICAEW,


Case 10: INTERVIEW

The importance of interviewing and receiving information is applicable to every career field and opportunity that arises. The purpose of active listening and communication stretches far across all lives of service and is especially relevant now. The ability to respect each other’s experiences and find ways to improve through those are essential to growth and overcoming obstacles that might present themselves. An interview is a series of questions that give a wide range of thought to the answer. Each answer will vary based on the individual and how you receive it. There are many different types of interviews including in person, over the phone, emails, and virtual.

This platform could also change the type of information being given and the reasoning behind it. The ability to read facial expressions, body language, and the tone in a person’s voice address what type of questions to ask and how personal the individual wants to get into the interview. It is important to remember that time is a key factor and take into consideration the other person’s schedule. For this assignment, I chose to interview Karla Case (my mom) of her experiences in college and her career. This was an important choice for me because I normally air on the side of asking my dad or male figures in my life for help with assignments that include family members. My mom is incredibly vital to my dad’s general dental practice, but she didn’t start off with this job
in mind while growing up. Her life experiences that surpassed my knowledge were incredibly insightful and encouraging. While growing up, time and technology were largely different than the modern day world that we live in currently. This assignment includes some of her experiences and thoughts on the differences and similarities we face today.

Karla’s life started off with taking a lot of art classes when she was small while her dad was at work after school. She experimented with many different mediums and loved spending time in the class. When the business was closed, she moved in the fifth grade to another school and described her time as good. Some funny things while she was in middle school included a tornado drill. During that time she remembers vividly that during the sixth grade she was placed in the boys bathroom with the other girls, while the boys were placed in the girls bathroom. She thought that this was funny because she had never been in the boys bathroom. During middle school, Karla became involved with an organization called 4-H that is similar to an auxiliary program. She visited the city hall with her friends to participate in the program. Another fun moment that struck out to Karla was winning a Cabbage Patch Kid in a raffle. She took hunters’ safety classes, got certified in first aid and CPR, and became a lifeguard when about fifteen years old. Karla was highly involved throughout middle school and high school at Simpson Academy.
She also enjoyed being a day camp counselor at fourteen years old at the YMCA before she was old enough to be an official lifeguard. She reminisces that she wasn’t paid as much because she wasn’t old enough to be paid minimum wage and it encouraged her to be a lifeguard. She participated in cheer, track, and swim in high school.

During college, Karla describes her path as nontraditional. She graduated high school early at sixteen years old and had to commute to college because she couldn’t live on campus. She was also the first in her family to go to college (as was my dad). She transferred college a lot and laughs that it was a mistake although she had a lot of fun. In college she didn’t know she wanted to be a teacher when she went to college. She discovered this path “after pursuing the wrong fields of study multiple times and not focusing.” At first she wanted to pursue careers that made money and had adventure, then she asked herself what she was good at and what she enjoyed. When she asked herself this question, she came to the conclusion she liked people a lot and wanted to help them. She had a happy childhood growing up and had a group of kids that she babysat several times. These kids looked up to her and they made her happy when Karla would teach them something or take care of them. She found that she was good at Educational Theory and had a friend doing the major that encouraged her by saying “you know, we are going to live a long time. We might as well be happy.” Karla realized that this advice made a lot
of sense and decided to embark on an education major to do something she was good at and enjoyed.

Karla’s first jobs included lifeguarding. She feels that this position taught her that everyone wants to be happy and that everybody is similar in that aspect. She also started off as a paralegal with the idea in mind to become a lawyer. Always wanting to help, she felt that this career might be a good option. It taught her that you need everyone in society working together. She did a clerical job at an insurance company. This job stressed the importance of insurance, something Karla had not been taught prior. Karla also worked at Mississippi College in the history department. She learned that the professors were not out to get the students, which added confidence to solidify her desired career. The first time she met people that got fulfillment out of helping someone else and were not financially focused during the job. She concludes that “you have to be happy doing what you do. When you are helping someone else, you are happy.” She states that when she applied these lessons to her current position of managing the family practice that she saw success.

Out of work, Karla states that “when you do things you love, you are actually living your life.” She is happy with life now and that it doesn’t feel like work. Another
factor outside of work includes vacations that are most memorable. When asked, Karla brings up first a trip she took with her grandparents to Washington, DC. It was her first time going on a trip without her parents and she did not want to go. As an eight year old, her parents wanted her to experience and see the historical monuments. Her grandfather took her and her grandmother to walk up and tour (at the time) Congress. George Bush Senior was the Vice President and he walked out of Congress from one of the meeting halls. Security was pushing people back so he could get through, but he stopped and talked to Karla and her grandparents. This was an incredible vacation for her and the last vacation she had with her grandparents. The other vacation that competes with this vacation was the first trip to Paris that we took together as a family. Our trip was a significant memory because none of her family had been out of the States before. Being able to afford the trip was a milestone for her and an assurance that she had done everything financially right.

Two things that she jokingly shares that she would change if she could is “my cursing and dad’s cursing.” She ultimately states that she wouldn’t change much and is grateful for the life she has. At twenty-one years old, Karla wishes that she would have known that “balance is important and don’t take it too seriously.” “It” being yourself or others, as she defines. In addition, forgive with yourself included. Karla is most proud of
her family and her marriage. She states that her daughters are her greatest work because her parents were divorced and her father was not an exceptional example. She prides that her daughters are successful doing their best in whatever they’re doing. She married her best friend, and they have been together for twenty-five years with a successful business. She jokes that it sounds cliché, but stresses that not many people can say what she said. Karla is most proud of the work that she has put into her life and my siblings to be where we are today and see our growth.

The biggest challenge for her generation Karla believes is releasing control to my generation. In addition, adapting to technology after COVID-19 is over, stressing that her generation and mine will have to work together to make the future work going forward. She states she doesn’t “want to upgrade so much that we lose sight of the people.” Each generation needs to find what the other is good at and communicate between the two so we as a whole can go forward. These changes are for the betterment of my generation and that sometimes her generation needs to take instructions from my generation. The biggest challenge OF my generation, Karla states is similar. She believes that my generation needs to learn that not everything her generation did was wrong. Just because my generation is more adaptable to technology, does not mean that her generation was wrong for doing something one way or not understanding the technology. There are several
things everyone can learn from her generation. She concludes by saying that these challenges are hard to overcome between all generations. This pause she accredits to not having enough time to have learned the good to have in both. Accepting that there are still some aspects that her generation can mentor us through. Karla believes that her generation will not hand over everything unless my generation is willing to learn because that is what she experienced.

I believe through our conversation, I increased my knowledge of not only memories that my mom shared with me but inspiring messages to help during this uncertain time. The ability to conversate with someone from a different generation was incredibly insightful and aided to my interview process I am experiencing currently. Karla’s words spoke to the different aspects of each person and encouraged me to become more confident in myself as she hopes to spread that to others. Through her hard work, she has built a life that she did not know she would have had at my age. I believe that this work speaks volumes to what we can achieve and the proper way to do so. It is essential to listen to others and respect the work they have done and the experiences they have had.
Case 11: INTERVIEW 2

In this case, we were tasked to interview a mentor about their internship experience. The ability to address interviews from both perspectives is incredibly important in enhancing interpersonal communication, critical thinking, and preparation skills.

Currently, I have not had an internship and am experiencing the interview process from the interviewee point of view. While interviewing with someone in a position I am striving for, I was able to compile a set of questions that furthered the conversation and led to interesting concepts to discuss. This thought path will be beneficial to my career by furthering my knowledge of what an internship is like, what kind of measures to take beforehand to insure a successful first impression, and what habits to break to secure growth within the company and personable impressions on colleagues. I was matched to interview Will Boatright, a senior at the University of Mississippi and currently finishing his internship with the Deloitte’s London tax office. Although his internship opportunity started in January, he had to move back to the States to be safe during the pandemic and complete work to finish his internship. In addition, I learned that there are several precautionary measures taken while you are overseas and ways to be flexible to keep a normal work schedule and up to date with assignments. After the case was over, we are to follow up with the finished case study to present our work back to our mentor. These
actions are practicing healthy and efficient manners in the work place. Following up with tasks, clients, and coworkers are great ways to start making a positive reflection on the firm and to improve your own habits. This case dealt with improving our professional skills and helping us make connections within firms we would like to work for or within firms that will help be a point of reference throughout or careers. This was a great way to network with students in the position you want in the future.

Will initially applied to all firms’ internship applications with the idea of practicing audit at the start of his career. However, when the opportunity arose to apply for Deloitte’s London internship he took it. Will stresses here to not base your choice between audit and tax on the classes (whether you have taken them or not). Through an intensive working interview he was offered and accepted positively the opportunity for Spring 2020. He enjoys working through hedge funds and private equity funds on large clients in the small tax office with six other interns. The biggest US tax practice outside of America consists of the big city with a small office space feel. There is also a strong Ole Miss base in the office, including Will’s superior. This created a sense of comfort and relatability overseas that aided in advancing technical and personal skills.
In London, work-life balance is taken more seriously than in other parts of the world. The office would rather you be a day late than stay up late to finish an assignment. Will was at the office from 9:30am until his team was gone (around 5:00pm and 8:00pm depending on the assignment). There is flexibility in regards to lunch breaks, either 12:00pm or 1:00pm. Again, this time depended on if there were noon client meetings or assignments to finish up. Deloitte helped set up an apartment just under a mile away from the office, allowing for time in the morning to have a good start and walk to work. Deloitte was clear with Will that he would be treated as a first year during his time in the Spring. On a day to day basis, Will was tasked with objectives that he could ask for help on that were relevant to what he would be doing if he were to accept a full-time offer. These activities were relevant to the firm’s work and not entirely tasks to keep him busy.

In America, due to COVID-19 Will has had to adjust to work life from home in another country. Now, he works 5:00am to 2:00pm where he states that he is again grateful with the later start in the London office because if the start time was earlier it would be harder to work simultaneously. The month of March is busy season for Deloitte and now Will wishes that he could have taken more of the opportunities presented to him to explore more of Europe will he was abroad. After starting in January, he was still new in February and didn’t take any time off. By the end of March he had not taken any time
off and encountered the increased workload from the pandemic. He did explore London with his coworkers almost every weekend. One weekend, Will was able to adventure to Budapest without taking time off from work. The group left Friday after work, and returned early Monday morning before the start of the day in the office. This is another positive experience of his internship abroad because he was able to visit places conveniently.

The first day, Will went to a building for a meeting of a thousand people to realize that it was a meeting of everyone that was a new starter in the United Kingdom. The week following, the interns did in-office training with the business tax group. During Will’s training week, at every hour a new two or three staff members would come into the room and explain something to the interns or presented a seminar on the different software. The month following, he was given relevant work to become familiar with and ask questions of the staff to know them. This work, although essential, was reviewed by Will’s superiors to correct any mistakes that might come. As the weeks went by, Will started to excel in his position and become confident in his abilities with the help of the office.
Will stresses to ask questions to build relationships and to become more comfortable. Although the first couple of weeks were a little intimidating with figuring out the office and the software. The other benefit of a smaller office were the amount of events that they could do. As an example, Will gives an example of a partner messaging the team in the middle of a hard assignment to take a break and attend a rented out location to enjoy time together and talk to each other. He explains that these events helped build contacts. During these times, the staff could be engaged and shed some of those layers that surround his or her title. Will also explains the differences between college and the internship experience, demonstrating that if you know or don’t know if you can complete an assignment telling your boss can create some flexibility. The work you might not be the key part in the assignment, but it is important to keep up with deadlines and be up front with communications. He also stresses to ask your team before you leave and they are still there if they need help. This is because even if you get your work done, they might need some assistance.

No matter which firm, these pieces of advice will stretch over a wide variety of channels of my career and be applicable. Will was incredibly helpful in provoking me to think about how I can do my part in a firm, what is expected of me, and that it is okay to make mistakes. I understand that being a great intern is not weighed so heavily on the
side of if you can complete a goal without issues, but if you can communicate with the team. Another aspect is talking with your superior on deadlines if you are not sure you can make to create together a solution to prevent slowing progress. After my talk with Will, I believe that it has strengthened my confidence in accounting and encouraged me to be more vigilant in my daily life.
Case 12: AN ANALYSIS OF AN ECONOMIC CRISIS

In this case study, the first objective was to watch in order a various amount of material to have an extensive background knowledge before tackling a few questions. The first of these sources was to watch a YouTube video discussing crony capitalism. In this video, I learned more about capitalism and how it can, and has, turned into an area of abuse of taxpayers’ capital. The system works were the government supports local and large businesses that have donated to campaigning funds from various representatives. In turn, the money is funneled through the system to support other aspects of the economy, and unfortunately benefitting personal gain in the process. The next task was to watch Inside Job (2010), which I was able to rent on iTunes. The documentary spoke to the lead up, during, and recovery events that resulted in the stock market crash of 2008. I learned that there are warnings that are ignored, people placed in terrible positions and help please disregarded, and decisions made to counteract the law that have lead to greedy personal gain. These events, in turn, have lead to the aspects we see today in governing bodies to correct and sometimes continue these beginning steps of disaster. Finally, I was tasked to do some research on three articles speaking to this process and what in the present is being done. This case has taught me that there are people in high
positions that do not always take it upon themselves to do the morally right thing—that money is a powerful tease and can create a path of chaos. I have learned that not everyone is listened to and decisions are not always made based on reliable information. This case study has encouraged me to invest in educating myself about decisions and making them these choices trying to pick the right one to benefit the right people. This daily practice of making well-informed decisions now will prove to be incredibly useful in my career to better serve the client, the firm, and the extended entities.

Crony capitalism tends to funnel capital into the wrong sources, makes the wrong decisions. The correct sources of this benefit is to help support varying levels of industries and to better the economy. However, this capital is often times provided as bonuses to those that worked on the campaign, friends, and families of high class governmental personnel. These individuals justify this expense where they have earned this income and that they will do a different form of good with it to reinvest it ultimately back into the society. The capital does not see any benefit except for personal pleasures after this point. These expenses are expressed in the term “deadweight loss.” The losses result in billions of dollars each year that could be put towards bettering the economy or saving for hard times. This applies to personal aspects of being responsible with capital. Knowing more about what I donate to, understanding the aspects of saving for potential
bad times, and making smart choices is my large take away from the short video. Before watching, I know that I have been willing to let go of my capital towards friends or for organizations that I was not certain I would receive the benefit I hoped from it. Being more aware of the importance of education about the parties that I donate money to could help make a more meaningful impact. This information also extends to my career as I help make important decisions for clients. Having a strong background and a curiosity in these areas will create the best decisions I can make and support. The integrity aspect of accounting has been heightened in the watching of this video.

During the movie, I was shocked to see the interviews the most as this added largely a personal touch. Seeing some volunteers avoid, stumble, and strike out over important questions showed that during the stock market there was important to me to add a sense of what individuals were like during the actual events. I had previously had felt detached from the nature of these individuals. For the future, I believe that people in high positions have to be aggressive to pass the laws, make the decisions, and take part in the events that they do. However, I don’t believe in all cases that this approach is always necessary and that it can cloud judgement. In society, I think that is it incredibly important to own the work that you do and to be passionate about your career.
There are going to be tough calls to make, but I have faith that the decisions will be made the best they can be with the information I have at the time. In my career, there will be decisions to make each day and not only being educated, but also patient will add to the best choice made. When given a form of power, it can be easy to forget about how to better society. This is proven through the derivatives that were introduced into the market so that bankers could virtually gamble on anything. A step further from that was the securitization food chain that was added to make it possible for collateralized debt obligations. This power and responsibility was taken and turned into a form of evil essentially while playing with the capital built on putting home buyers and others.

These decisions lead to a massive financial bubble and ultimately the Home Ownership and Equity Protection Act. Limiting the power was a goal that was not fully appreciated until the actual crash in 2008. This is a much larger scale of what happens when an employee gains too much power and creates problems in the workplace. I see now that this time in history shows the importance of regulations in my career and catching these mistakes is incredibly important. Also, that when given the opportunities that accountants have I need to be vigilant in ensuring that when I am tasked with more assignments or even a greater amount of responsibility I follow the guidelines closely and create an environment that is supportive.
The series of articles that I read included these values of integrity, accountability, and stressed the importance of each small task as an effect on a larger proportion. In the Wired article, I did know the basics that a small event can lead to larger events. However, the one formula’s effect on the bond market leads to large sums of capital being moved around. This relates to how each small task that professionally I will be tasked with needs to be done to the best of my ability to essentially create a positive lasting impact. In my daily life, small forms of motivation and positivity leads to an overall encouraging day and can be spread easily around to others. Whether that is a small compliment or being considerate towards a problem, these acts of kindness can trickle down and make an impact.

The Rolling Stones article indicated to me more about the decisions that others make and how they can create permanent impacts. The article speaks to the impact that Goldman decisions had on not only the stock market, but to millions of employees. This “securities fraud” lead to lasting impacts that stole from the lives of others. While adding more importance to being educated about the choices you have to make, it added to the importance of the career of an accountant and that it is important to make sure that the client comes first and uphold the service industry.
Finally, the Vanity Fair article showcased the distrust between Wall Street and our President, Donald Trump. It claims that Trump is trying to undo the work that the previous President, Barack Obama, implemented. Part of this discomfort with Trump lies in the idea that he does not know what he is doing and is not educated. Reading the thoughts on not relying on someone who is not qualified to make decisions is critical to what I do not want in my career. I would like to see that my boss knows what he/she is doing and that I am confident in their decisions. I was not aware prior to the reading that Wall Street despised Trump.

I think that the current virus crisis will change the economy to refocus the industries and give more appreciation for the employees and health industry. However, I think that there won’t be an immediate change to the status quo. This would be a chance to unwind some previous decisions, but I do not have faith that Trump will focus on these ideas as we move through and forward from the crisis. There will need to be a remedy to the stimulus capital handed out and other corrections to be made at the end of these events. After these sources and learning more about our recent financial history (the 2008 stock market crash) I do not foresee a large change, if any, in the political climate that will result.
I am incredibly grateful to have been provided this case study and the materials to learn more about what happens on Wall Street and in Washington, DC. It added some uncertainty as to my faith of large political figures, mostly dealing with their character and what decisions they make or have made. This assignment has pushed me to want to learn more about our financial history and to work each to improve my decision-making ability. I aim in my future career to be the best I can be while having the responsibility that I am given. Also, I would like to share my knowledge with others and be an inspiring figure in the office and my personal life. The benefits that come from being informed and morally just supersede the benefits of personal gain and these articles and video sources prove just that. It is not always terrible to look out for yourself and to create personal benefit. The problem is when you accept the negative choices and knowingly place others in harm’s way.
CONCLUSION

First off, I found learning about how investors use non-GAAP measures to better estimate future earnings very interesting. In my free time I often look at possible stocks that I could invest some of my extra money in. I never would have thought to look for or investigate these other measures that could possibly give me a better idea about where a company stands and whether or not they are actually generating revenue from their operations. On the flip side of this, I also found it very interesting that companies can use these same non-GAAP measures and press releases to help keep their stock price up even in periods when earnings are less than analysts’ projections. In the case of Google, they were able to justify their earnings not meeting expectations by saying in a press release that there were expenses that were not indicative of their recurring core business operations, such as the stock based compensation, add these amounts back to a non-GAAP measure, make their numbers look more appealing, and then suddenly increase their share price back to even higher than where it was. This really highlights the fact that prior to investing in a company, you really need to dive into a company’s financials and any press releases they may have issued to see how they are calculating their earnings numbers. (2pgs and 1 pg how it applys to profession)
LIST OF FIGURES

Fig. 1:

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(In USD)

Fig. 2:

![Fig. 2](image)

Fig. 3:
Fig. 4:
Fig. 7:

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Fig. 8:

CVS Caremark’s revenue distribution from 2013 to 2021, by product group*

Fig. 9:

Revenue per retail prescription at CVS Caremark in the United States from 2012 to 2024 (in U.S. dollars)*

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Summary

Throughout the case studies presented and conducted during the 2020-2021 academic year, there are many viewpoints that can be taken in regards to your accounting studies, beginning of your career, and the profession in general. When starting your journey to where you will set your goals, it is important to think realistically and research thoroughly the potential outcomes. There are several options for where to begin your career that should be considered before the interview application process. Additionally, there are many steps that you can take to further your success and understanding of what could be a benefit to the firm that you are applying for. Take into consideration the necessary steps to make realistic and manageable goals prior to the internship process.

For the beginning of your career, you should research and gain knowledge of the general industry and its events that occur daily. This will prove important to have a working understanding of the field that you will be engaging in and keep you updated with changes that may occur during the point of your experience in the field. Having a general knowledge provides a base for your career to begin and shows your interest. This drive can be critical and aid you in the first years of your career. Take time each day to invest in learning what you will be engaging in and could encounter. Essentially, these building blocks will help build on more complicated areas.
In regards to the profession, an ever-changing industry and environment provides room for the knowledge that you have acquired to be brought into new areas and be used in multiple factions. Through constantly engaging in material that relates to the area that you are growing into, you will benefit largely and communicate difficult areas with a working knowledge. It can be a few minutes each day or a longer recognition of a video presentation that can extend a lending hand in your career. Essentially, all these factors and more will help you succeed.
Application

These practices can be utilized in not just the accounting profession, but additionally in other fields that includes working with clients and finding your individual preference in looking for a job. Working each day and focusing on the individual areas that you have the ability to grow or improve will be incredibly beneficial and may be reflected on in other areas. Communication with others and continuing the learning experience will encourage prospering within the profession. These case studies reflect that it may take a few minutes or a few hours, but the reward that can be reaped at the end of each experience can greatly impact the way that your professionalism and preferably in your career can grow.
On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this thesis study.”

Signed: _______________________