

University of Mississippi

eGrove

Honors Theses

Honors College (Sally McDonnell Barksdale
Honors College)

Spring 4-30-2021

An Examination of Accounting Topics Through the Completion of Case Studies

Kayla Biando

Follow this and additional works at: https://egrove.olemiss.edu/hon_thesis



Part of the [Accounting Commons](#)

Recommended Citation

Biando, Kayla, "An Examination of Accounting Topics Through the Completion of Case Studies" (2021).
Honors Theses. 1880.

https://egrove.olemiss.edu/hon_thesis/1880

This Undergraduate Thesis is brought to you for free and open access by the Honors College (Sally McDonnell Barksdale Honors College) at eGrove. It has been accepted for inclusion in Honors Theses by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

AN EXAMINATION OF ACCOUNTING TOPICS THROUGH THE COMPLETION
OF CASE STUDIES

By

Kayla Biando

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

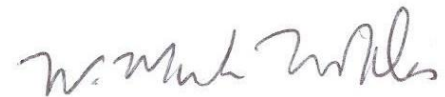
Oxford, Mississippi

2021

Approved by



Advisor: Dr. Victoria Dickinson



Reader: Dr. Mark Wilder

©2021

Kayla Biando

ALL RIGHTS RESERVED

ABSTRACT

**KAYLA BIANDO: An Examination of Accounting Topics Through the Completion of
Case Studies**

(Under the direction of Victoria Dickinson)

This thesis, completed under the direction of Dr. Victoria Dickinson in Accountancy 420, a year-long thesis course, is composed of eleven case studies and is intended to analyze various areas of accounting and financial reporting. This topic analysis, along with the numerous accounting firm presentations that were offered to expose us to potential future professional opportunities, helped to further enhance our knowledge of the accounting profession while developing our critical thinking processes and related research techniques. That said, the completion of this course, both information-enhancing and skill-building, assisted in setting us up for a future career in professional accounting.

Post-completion of the accounting thesis course, I am now able to reflect back and analyze the takeaways of partaking in said class, which include an abundance of knowledge, both new and enhanced, accumulated over the course of the year. With the fulfillment of the case studies, I have enhanced my knowledge of multiple topics ranging from technical tricks to efficiently utilize the Microsoft Excel software, acquired with the completion of an Excel crash course, to an exploration of financial events such as Brexit and the Recession. In addition to exploration of topics through the eleven case studies, the opportunity provided to partake in attending numerous accounting firm presentations, which were required as a part of the curriculum, is an experience I would consider invaluable as it introduced me to a number of new firms and their takes on how different topics and ideas are applicable to the accounting industry. Lastly, while not the direct intention of the course, I believe that this research, analysis, and reporting of several accounting topics has significantly improved my report writing with the continuous completion of written works.

To further expand on the information learned as a result of conducting the various case studies contained in this thesis, I should specify that this course has enhanced my knowledge both technically and conceptually, while simultaneously improving the processes that I utilize in order to arrive at a solution in the course of research development. For example, with Case Study #4, the Company Case, I learned how to utilize the *sec.gov* website to examine the financial position of a public company through financial report analysis. This case improved my research development process for approaching the examination of public companies, while also improving my technical use of the *sec.gov* website for retrieval of financial reports. Another case that helped to

significantly improve my understanding of a technically difficult topic was Case Study #8, titled Blockchain Monopoly. This case presented blockchain technology in the form of a simulation through the use of the Monopoly board game.

In regard to the benefits reaped from the accounting firm presentations, these include, but are not limited to, the opportunity to experience first-hand the team dynamic of the individuals presenting; learning about new topics and concepts being approached by the firms, especially with respect to technological innovation and data analytics; and to hear about the different experiences of many individuals working at a range of large- and small-sized firms to help influence our application and recruiting experiences. Being exposed to a variety of accounting firms and financial topics, helped to guide me in making the difficult decision of what type of firm I would be interested in working for, while also providing more information on the services and industries options available to assist us in making a more informed decision during the application processes.

In concluding my reflection of the course benefits, I am able to confidently say that I learned a significant amount of new information from the completion of the case studies and from my presence at firm presentations, all of which I believe will be influential throughout the remainder of my academic career and will continue to be impactful on my future as a professional accountant.

The knowledge I have accumulated throughout the completion of this accountancy course will undoubtedly be applicable to my future career in professional accounting and is already proving to be influential as I approach this next step in my life. For example, this course, or more specifically Dr. Dickinson, had Dr. Cheng present to us the various data analytics master programs offered by the Patterson School of Accountancy here at the University of Mississippi. This, along with the multitude of presentations about technological innovation and data analytics being utilized by a number of accounting firms, encouraged me to apply and enroll in the Master of Accountancy and Data Analytics program offered by the University for graduate school. Additionally, my expansion of knowledge on the topic of data analytics, along with exposure to various technologies during my subsequent enrollment in Dr. Cheng's tax course, influenced my interest in how data analytics are utilized in the accounting industry and allowed me to express this interest to a number of firms during the internship interviews.

In addition to the current continuous impact experienced as a result of course completion, I believe that the resources provided, and information learned will prove beneficial in my future professional accounting career. It should be noted that all the topics covered increased my knowledge and were to my benefit, but specific areas of research such as data security and financial report analysis are beneficial as they will be utilized most frequently in my future job position. That said, I feel that all of the knowledge accumulated will prove influential as it has allowed me to possess a more expansive knowledge of varied accounting topics that I might encounter in the future or could explore further through continuous education.

TABLE OF CONTENTS

LIST OF FIGURES	viii
CASE STUDY #1	1
<i>Works Cited</i>	21
<i>Honor Code</i>	24
CASE STUDY #2	25
CASE STUDY #3	27
<i>Works Cited</i>	35
<i>Honor Code</i>	36
CASE STUDY #4	37
<i>Works Cited</i>	50
<i>Honor Code</i>	51
CASE STUDY #5	52
<i>Works Cited</i>	56
<i>Honor Code</i>	57
CASE STUDY #6	58
<i>Works Cited</i>	62
<i>Honor Code</i>	63
CASE STUDY #7	64
<i>Works Cited</i>	68
<i>Honor Code</i>	69
CASE STUDY #8	70
<i>Works Cited</i>	76
<i>Honor Code</i>	77
CASE STUDY #9	78
<i>Honor Code</i>	85
CASE STUDY #10	86
<i>Honor Code</i>	92
CASE STUDY #11	93
<i>Honor Code</i>	98

LIST OF FIGURES

Figure 1.1: Seasonal Trend Summary - Atlanta versus New York.....	5
Figure 1.2: Temperature Fluctuation in Atlanta	7
Figure 1.3: Rainfall Fluctuation in Atlanta	7
Figure 1.4: Snowfall Fluctuation in Atlanta	7
Figure 1.5: Temperature Fluctuation in NYC.....	8
Figure 1.6: Rainfall Fluctuation in NYC	8
Figure 1.7: Snowfall Fluctuation in NYC.....	8
Figure 1.8: Photograph of Atlanta, Georgia.....	9
Figure 1.9: Photograph of New York City, New York.....	10
Figure 1.10: Tax Rate Percentages for Atlanta and New York	11
Figure 1.11: Total Estimated 2018 Tax Burden for Atlanta, Georgia	11
Figure 1.12: Total Estimated 2018 Tax Burden for New York City, New York	12
Figure 1.13: Photograph of Apartment in Brookhaven, GA.....	16
Figure 1.14: Photograph of Apartment in Brookhaven, GA.....	17
Figure 1.15: Photograph of Apartment in Financial District in NY	18
Figure 1.16: Photograph of Apartment in Financial District in NY	19
Figure 1.17: Model Monthly Operating Budget for NYC versus ATL	20
Figure 2.1 Corporate Finance Institute Excel Crash Course Certificate.....	26
Figure 4.1: Changes in Kimberly-Clark’s Gross Margin from 2016 to 2018 from SeekingAlpha.com	46
Figure 4.2: Kimberly-Clark Corporation Income Statement from SeekingAlpha.com....	47
Figure 4.3: Operating Activities from Kimberly-Clark’s 10-K Report from sec.gov.	47

CASE STUDY #1

CITY SELECTION CASE: A TALE OF TWO CITIES

The objective of the “City Selection Case: A Tale of Two Cities,” the initiating case of the year-long thesis course, was to assist us in deciding on a city in which to reside post-grad. In order to arrive at this decision, we were required to select two cities of interest and evaluate the important factors related to each one. In concluding our analysis, we should have completed a comparison between the two selected cities and determined which one would be more suitable for residency, evaluated by either personal preference or potential benefit to us individually. Examples of the required research and analysis topics included the population of the city, climate and associated seasonal fluctuations, topography, tax rates, transportation hubs, prevalent industries, healthcare and education rankings, as well as the crime rates and common crimes in each city.

After finalizing our “surface level” city analysis, we needed to locate an apartment in each city and determine the cost of rent; square footage; and the commute time from said apartment to work, making note of the related transportation costs. Subsequent to pinpointing an apartment in both cities, I was able to determine potential grocery shopping locations, laundromats, religious or volunteer organizations of interest, and entertainment and recreational opportunities to partake in outside of work. Additionally, I computed the cost of travel from each apartment selection to my childhood home. To conclude the case, we were required to account for each item and its related costs to create a monthly operating budget. The intent of said budget was to depict visually the possible monthly income, or loss, that is achievable when residing in each of these cities.

Reflecting back, I found the process of this case to be beneficial regarding the extent of exposure provided, both financially and non-financially, about each city

involved in the analysis process. The knowledge I acquired through this research helped me realize that I significantly underestimated the difference between the cost of living in New York City versus in Atlanta. These computations, reflected in the monthly operating budgets for each city, is a factor I will now consider heavily when making my final decision as to where I will reside after college.

The city of Atlanta is inhabited by approximately 498,044 individuals; comparatively, there are 10,519,475 people living within the state of Georgia as a whole. That said, Atlanta residents make up only 4.73 percent of the Georgia Census. In comparison, the population of New York City is comprised of 8,398,748 individuals, which equates to 42.98 percent of the 19,542,209 people who live in the state of New York. There is a drastic difference in the population between the two cities, something I was unaware of prior.

Aside from the population differences, the weather between the two cities varies between being similar during some seasons and vastly different during others. In Atlanta, the average low during the winter months is 34.6 degrees, while the high is 53.3 degrees. Per month, it rains an average of 7.3 days and snows approximately 0.6 inches. In comparison, winters in New York City average a low of 31.6 degrees, a high of 42 degrees, 7.7 days of rain, and around 7.2 inches of snow per month. During the spring, Atlanta experiences an average low of 49.5 degrees, a high of around 73 degrees, 7.3 days of rainfall per month, and about 0.5 inches of snowfall in total. In New York, the city sees an average low of 45.6 degrees, a high of 62.7 degrees, 8.33 days of rain, and 1.53 inches of snowfall per month during the spring months. In general, Atlanta summers might range, on average, from a low of around 67.3 degrees to a high of 88 degrees, while encountering roughly 8 days of rainfall and zero inches of snow. Summer in New York typically provides the same low of 67.3 degrees and a cooler high of 82.7 degrees while averaging about 7.67 days of rain and zero inches of snow per month. Lastly, in the fall, Atlanta experiences an average low of 51 degrees, a high of 73.7 degrees, 5.3 days of rain, and zero inches of snow. In New York, the low for the fall season is averaged out to

be 51 degrees with a high of 65 degrees and around 6.67 days of rainfall and 0.2 inches of snow per month during September, October, and November.

Season	Atlanta, Georgia	New York City, New York
<i>Winter</i>	34.6° – 53.33° 7.3 rain days 0.6 inches of snow	31.6° – 42° 7.7 rain days 7.2 inches of snow
<i>Spring</i>	49.5° – 73° 7.3 rain days 0.5 inches of snow	45.6° – 62.7° 8.33 rain days 1.53 inches of snow
<i>Summer</i>	67.3° – 88° 8 rain days 0 inches of snow	67.3° – 82.7° 7.67 rain days 0 inches of snow
<i>Fall</i>	51° – 73.7° 5.3 rains days 0 inches of snow	51° – 65° 6.67 rain days 0.2 inches of snow

Figure 1.1: Seasonal Trend Summary - Atlanta versus New York

After analyzing the standard weather trends for both New York City and Atlanta, summarized in the previous chart, it is evident that the most significant variance between the cities resides within the winter season with the average snowfall per month. This evaluation has led me to conclude that the higher rates of snowfall and the colder winter weather in New York City would prove to be a difficult variance for acclimation with respect to seasonal and climate changes. In particular, this difference is noted as a difficult change given that it rarely, if ever, snows in Atlanta, and if it does end up snowing, it is usually only a minuscule amount. Aside from the winter months being

drastically different between the two cities, the weather does not differ too vastly when comparing the other seasons.

Climate and Seasonal Fluctuations in Atlanta, Georgia:

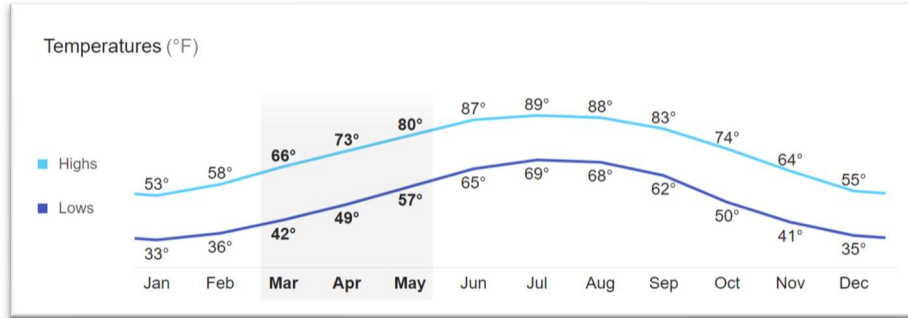


Figure 1.2: Temperature Fluctuation in Atlanta

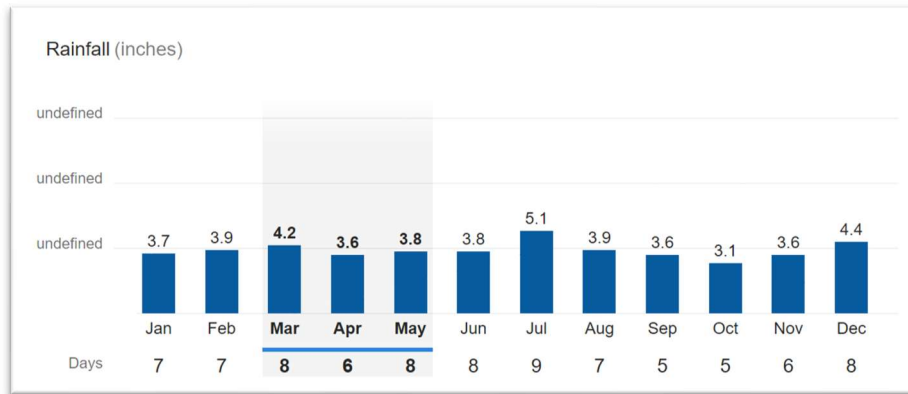


Figure 1.3: Rainfall Fluctuation in Atlanta

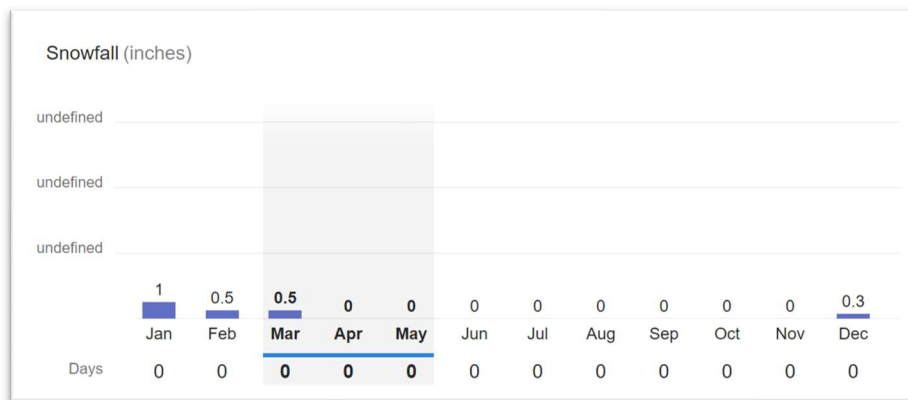


Figure 1.4: Snowfall Fluctuation in Atlanta

Climate and Seasonal Fluctuations in New York City, NY:

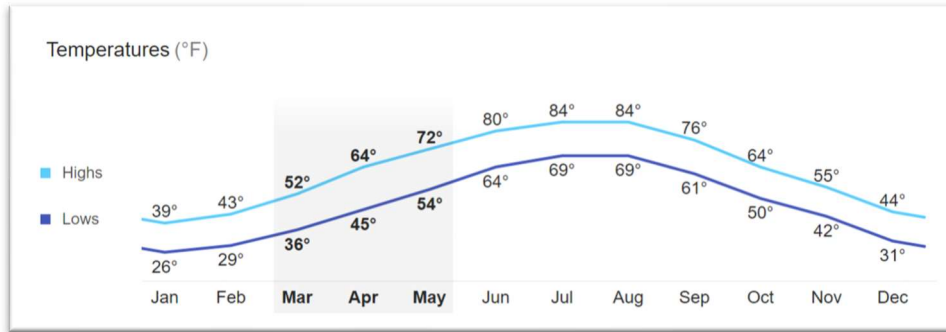


Figure 1.5: Temperature Fluctuation in NYC

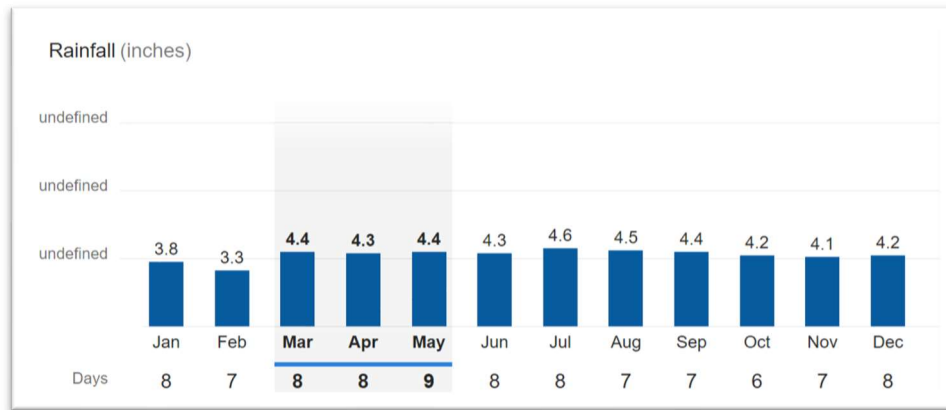


Figure 1.6: Rainfall Fluctuation in NYC

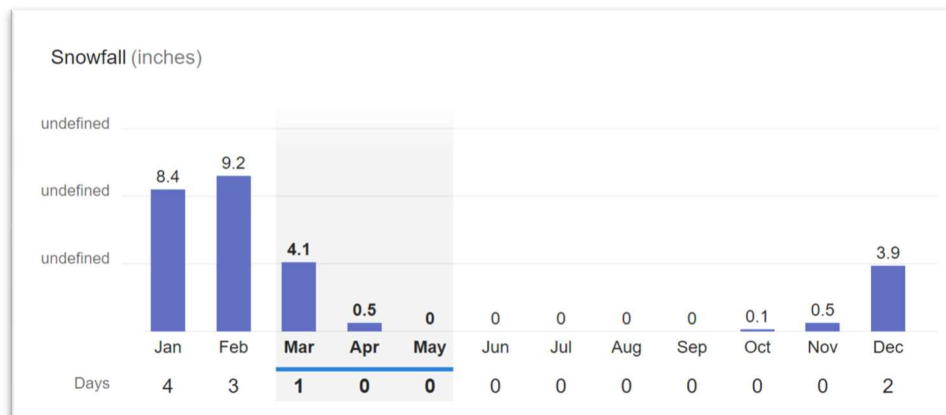


Figure 1.7: Snowfall Fluctuation in NYC

In addition to exploring the weather variations between Atlanta and New York City, one could also analyze the topography of each and make a case comparing the two. That said, according to the New World Encyclopedia, Atlanta expands across 132.4 square miles and sits 320 meters above sea level, while New York City on the other hand is 302.6 square miles. New York City is a peninsula and so, by definition, it is surrounded by water, while Atlanta is land locked and has few rivers and lakes nearby. Aside from this significant topographical difference, the cities' commonality is the large amount of skyscrapers and infrastructure that make up a considerable amount of their respective city.

Atlanta, Georgia



Figure 1.8: Photograph of Atlanta, Georgia

New York City, New York



Figure 1.9: Photograph of New York City, New York

According to Smart-Asset's tax calculator, an individual's total estimated tax burden in Atlanta would be approximately \$16,224 when based on a starting salary of \$55,000 per year. On the other hand, the overall tax burden for an individual living in New York City would be \$17,456, which is \$1,232 greater than the Atlanta tax burden. Essentially, that means that one would have \$38,776 of Net Income After Tax in Atlanta, while in New York the Net Income After Tax would be \$37,544. I would consider this a negative cost of living in New York because on top of the higher tax rates, the overall cost of living (food, apartment, etc.) is significantly greater, which in turn would further decrease an individual's discretionary income and the amount that could be contributed to savings.

ATL, Georgia Tax Rate Percentages:

	Marginal	Effective
Federal	22%	9.82%
FICA	7.65%	7.65%
State	6.33%	4.84%
Local	3.82%	3.09%

NYC, New York Tax Rate Percentages:

	Marginal	Effective
Federal	22%	9.82%
FICA	7.65%	7.65%
State	6%	4.86%
Local	0%	0%

Figure 1.10: Tax Rate Percentages for Atlanta and New York

Total Estimated Tax Burden Based on Starting Salary of \$55,000/year:

Atlanta, Georgia

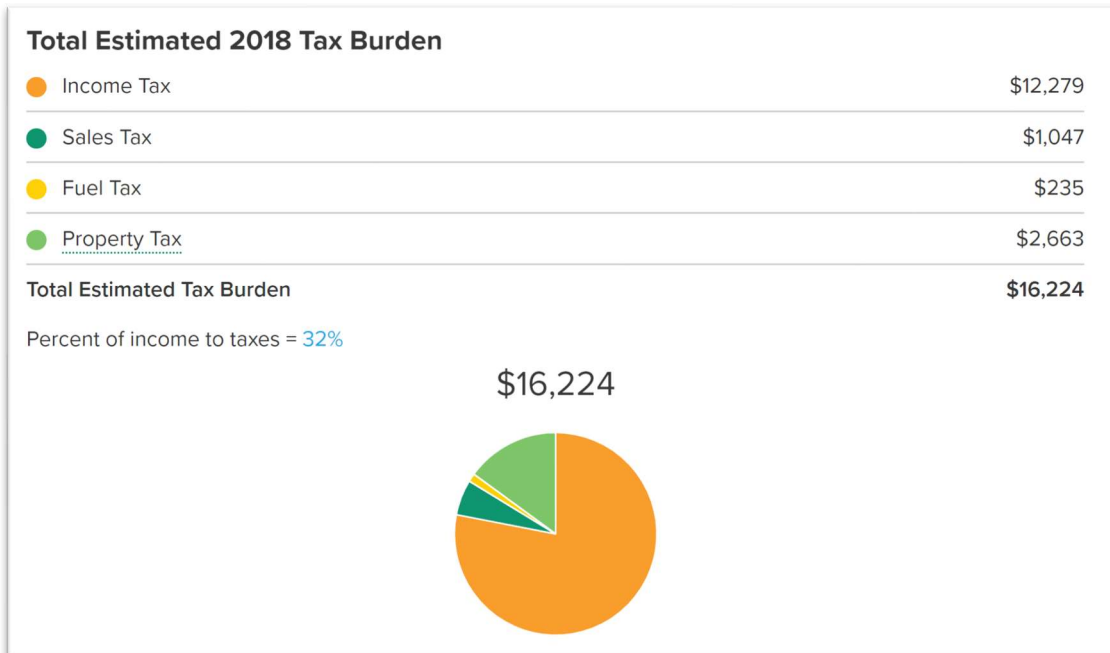


Figure 1.11: Total Estimated 2018 Tax Burden for Atlanta, Georgia

New York City, New York

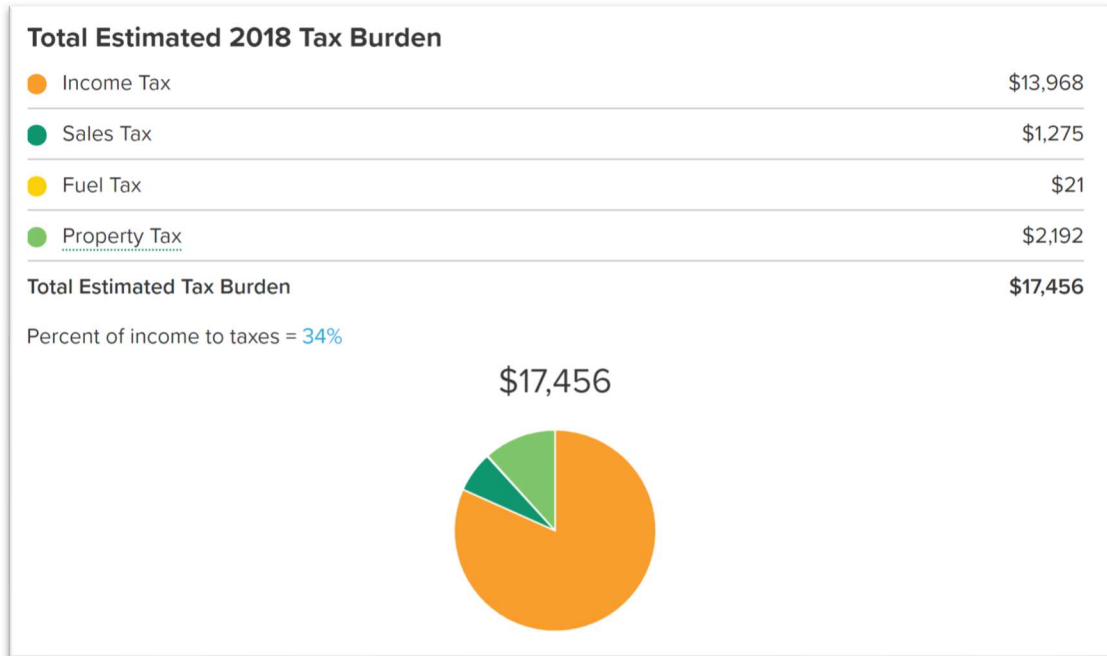


Figure 1.12: Total Estimated 2018 Tax Burden for New York City, New York

In Atlanta, the major transportation hubs consist of the Hartsfield-Jackson Atlanta International Airport and The Metropolitan Atlanta Rapid Transit Authority (MARTA). The Hartsfield-Jackson International Airport is one of the busiest airports worldwide and serves as the hub for Delta Air Lines. The MARTA is a transportation system that provides buses, trains, and streetcars to navigate around the city of Atlanta. Yet, the main mode of transportation into, out of, and around the city of Atlanta, is by motor vehicle. That said, traffic patterns and transportation times need to be factored in when determining where to live in Atlanta, regardless of if one decides to live inside or outside the perimeter. New York, on the other hand, is home to the John F. Kennedy International Airport and the LaGuardia Airport. The state of New York also possesses an intricate underground subway and above ground bus system, under the Metropolitan

Transportation Authority (MTA), which is their main transportation system.

Additionally, the Port Authority Trans-Hudson (PATH) is a transit system that serves as a connector between New York City and New Jersey. Two other popular methods of transportation in New York City are by foot (walking) or by taxicab. Having all of these alternative methods to driving is a positive aspect of New York City because even with the high traffic rates, these alternative transportation methods allow for ease of navigation around the city. This is in contrast to Atlanta where, while there are alternative options, driving is the main and most convenient transportation method.

Forbes.com suggests that the most prevalent industries in Atlanta are financial services, technology, and telecommunications. This is in direct comparison to the information provided by Investopedia which suggests that financial services, health care, and professional and technical services are among the top industries in New York City. Similar to the topic of industry prevalence, it is important to evaluate the largest companies dealing in the local economies of each city. That said, the five largest companies in Atlanta, according to zippiz.com, consist of The Home Depot, UPS, Randstad USA, The Coca-Cola Company, and Hansen Beverage. In New York City, zippiz.com lists IBM, PepsiCo, Pepsi Center, JPMorgan Chase & Co., and Citi as the five largest businesses located there. With financial services being the most prevalent industry in both Atlanta and New York City, I feel that regardless of which of the cities I end up living in, this will be to my benefit given my interest in the financial services sector, which was inspired by my studies in Accounting and Managerial Finance.

For both cities, the quality of healthcare, as well as the education systems, are both important factors to evaluate when attempting to decide where to reside indefinitely.

According to the AJC, Atlanta's healthcare is ranked number 46 in the nation. In comparison, New York is ranked number 13 out of 50 for their healthcare services. The vast difference between these healthcare rankings, with New York being towards the top and Atlanta being four away from the bottom, has resulted in my favor of New York for this particular factor. For K-12 education, Georgia is ranked number 31, while New York is ranked number 25. In New York, the top three school districts are Great Neck Public Schools, Jericho Union Free School District, and Syosset Central School District; while the top three districts in Atlanta are Buford City Schools, Forsyth County Schools, and lastly Decatur City Schools. Having been born and raised in Georgia, I attended public school until fifth grade and then switched over to private school for middle and high school. For high school, I attended the Marist School in Atlanta and if I end up living in Georgia after college, I would like for my children to apply and potentially attend school there as well. That said, in Atlanta, and most likely in New York City as well, I would be leaning for my children to attend private school. However, if they were not to attend private school then I would enroll them in a school located in one of the three districts listed previously.

Within the city of Atlanta it appears that the more common crimes are theft, burglary, vehicle theft, and then assault; all of which are significantly higher than the Georgia averages. Smartertravel.com suggests some particular areas of Atlanta to avoid, listing "southwest of the I-20 and I-85 exchanges," U-Rescue Villa, Castleberry Hill, and East Atlanta Village as a few examples. After analyzing the provided statistics, I am able to determine that I would live outside of Atlanta, in one of the surrounding cities, most likely Brookhaven, if I were to live in Georgia post-graduation. Comparatively, the most

common crimes that take place in New York City are theft, assault, robbery, and burglary. According to areavibes.com, property crimes are 4 percent lower and violent crimes are 51 percent higher in New York City than the statewide averages. Specific areas listed as places to avoid in New York are Niagara County, Orange County, and Erie County. With this in mind, if I end up moving to New York City after college, I will most likely live in the Financial District given that it is safer than some of the other counties listed, and it would be a convenient location for transporting to and from work.

As specified in the crime rate analysis, if I were to work in Georgia following graduation, I would live in Brookhaven, which is outside of downtown Atlanta. More specifically, after conducting research of various apartments in the area, I would consider living at the Novel Perimeter Apartments in a one-bedroom apartment. A one bedroom, one bathroom apartment located here is 723 square feet and costs \$1,278 per month. A few utilities that are provided with this apartment lease are package services, a fitness center, a pool, a coffee bar, front load washer/dryers, a nest thermostat, a quiet dishwasher, stainless appliances, quartz countertops, and a covered parking space per person on the lease. To live in this location for one year, by myself, without a roommate, the total cost for rent would be approximately \$15,336. Additionally, it should be noted that if I were to live with roommates, which is a strong possibility, the rent would likely be significantly cheaper.

When selecting an apartment in any city, it is important to research the surrounding area to determine if the chosen location meets one's needs. That being said, if I were to live at this apartment in Brookhaven, I would shop at the Publix Super Market, which is approximately 1.2 miles away from the apartment complex, and I would

be able to do my laundry in my apartment, rather than having to walk to a laundromat. Commuting the 11.7 miles from this apartment to downtown Atlanta, where many accounting firms are located, would take me about fifty minutes to an hour at around five pm. Three potential organizations that I would be interested in participating in within the Atlanta area would be attending church at All Saints in Dunwoody, volunteering at the Best Friends Animal Society, and being a volunteer at the Atlanta Community Food Bank. Aside from that, other activities I might participate in would be attending Atlanta United soccer games at the Mercedes Benz Stadium, playing tennis or golf with my family at the Atlanta Athletic Club, working out at the LA Fitness located near my apartment, joining a running group, and hanging out with friends or shopping at Perimeter or Lenox Mall.

Photographs of Apartment in Atlanta, Georgia – Brookhaven:



Figure 1.13: Photograph of Apartment in Brookhaven, GA



Figure 1.14: Photograph of Apartment in Brookhaven, GA

If I were to live in New York City after college, I would possibly live in the Financial District at 116 John Street in a one bedroom, one bathroom apartment. The apartment is approximately 528 square feet and would cost \$3,426 per month, with the costs of gas, water, heat, trash removal, and sewer utilities included in that price. This apartment also provides various amenities including a fitness center, a roof terrace with a sundeck and a balcony, package services, laundry facilities, high-speed internet access, a dishwasher, granite countertops, and stainless-steel appliances. The cost to live here alone for one year would be around \$41,112, which is \$25,776 more than the yearly rent of the selected Atlanta apartment.

An analysis of the New York apartment's surrounding areas was performed in a similar manner to that of the Atlanta apartment. For my grocery shopping, I would go to the 55 Fulton Market two streets over from my apartment, and I would do my laundry at the laundry facilities center located at the complex. The commute to Midtown Manhattan, where some of the accounting firms are located, would take around twenty-three minutes

by subway or twenty-seven minutes by car. In the city, I would be interested in volunteering at The New York Food Bank and The Good Dog Foundation. I would also want to attend church at either Our Lady of Victory Church or Saint Peter Roman Catholic Church, both located in the Financial District near my selected apartment. For recreation, I would workout at Soul-Cycle, which is located two streets over from the specified apartment. Additionally, I would be able to visit Battery Park, attend the numerous museums in the Financial District, go running at Bowling Green Park, and go to the movies at Regal Battery Park.

Photographs of New York City Apartment – Financial District:



Figure 1.15: Photograph of Apartment in Financial District in NY



Figure 1.16: Photograph of Apartment in Financial District in NY

Overall, if I were to live in Brookhaven, it would take me around twenty-three minutes, by car, to get to my hometown of Duluth, Georgia. This twenty-three-minute trip would cost me around \$2.66 round trip, which is the equivalent of about a gallon of gas. On the other hand, if I were to live in New York City, my two modes of transporting back home to Duluth, Georgia would be either by car or plane. Flights to and from Atlanta from New York appear to be around \$177 round trip and would last two hours and sixteen minutes. If I were to drive home, the 853-mile trip would take about thirteen and a half hours. My Ford Escape averages around 22 miles per gallon, so if the cost of gas throughout the trip averaged out at \$3 per gallon, it would cost approximately \$116.32 to drive home from New York City to Duluth, Georgia.

To complete this city comparison case, we were instructed to create a model monthly operating budget depicting the cost differences associated with each location based on the apartment selections made previously. This budget is depicted below.

Figures 1.17: Model Monthly Operating Budget for NYC versus ATL:

	NYC	ATL	
<i>Income Before Taxes</i>	4,583	4,583	
<Taxes>	1,558	1,467	(NYC = 34%) (ATL = 32%)
<i>Income Before Expenses</i>	3,025	3,117	
<Rent Expense>	3,426	1,278	
<Grocery Expense>	400	400	
<i>Income Allocatable to Savings</i>	(801)	1,439	
<Savings Expense>	-	360	(Available Income * 25%)
Discretionary Income	-	1,079	
Net Loss	(801)	-	

Figure 1.17: Model Monthly Operating Budget for NYC versus ATL

In New York City, based on this model monthly operating budget, I would be at a net loss every month and would have no left-over money to put into savings. However, in Atlanta, I would have enough money, after taxes and expenses, to put 25 percent of my remaining income into savings and still have discretionary income left-over afterwards. Based off of this potential budget analysis, I would be better off living in Atlanta if I want to make a profit and be able to start adding money into my savings account. With regard to New York City, expenses would need to be decreased significantly to be livable, due to the net loss, which is possible with roommates and cheaper rent. After a complete analyzation of both cities, I feel that it might be more beneficial for me to live in Atlanta, Georgia. Both the cost of living and the location’s proximity to family plays a large role in this determination.

Works Cited

- “133,731 District Financial Skyline Photos - Free & Royalty-Free Stock Photos from Dreamstime.” *133,731 District Financial Skyline Photos - Free & Royalty-Free Stock Photos from Dreamstime*, <https://www.dreamstime.com/photos-images/district-financial-skyline.html>. .
- “2021 Best School Districts in New York.” *Niche*, <https://www.niche.com/k12/search/best-school-districts/s/new-york/>.
- “2021 Best School Districts in the Atlanta Area.” *Niche*, <https://www.niche.com/k12/search/best-school-districts/m/atlanta-metro-area/>.
- “Atlanta, GA Crime Rates & Map.” *Areavibes*, <https://www.areavibes.com/atlanta-ga/crime/>.
- “Atlanta, Georgia - New World Encyclopedia.” *New World Encyclopedia*, https://www.newworldencyclopedia.org/entry/Atlanta,_Georgia.
- Axelson, Ben. “25 Most Dangerous Towns and Cities in Upstate NY, According to New FBI Crime Data.” *Newyorkupstate*, 11 June 2018, https://www.newyorkupstate.com/news/erry-2018/03/db6567c07a/25_most_dangerous_places_in_up.html.
- Barton, Merrilee. “Best Places for Business and Careers 2019: Atlanta, GA.” *Forbes*, <https://www.forbes.com/places/ga/atlanta/>.

“Best States for Education 2021.” *World Population Review*, <https://worldpopulationreview.com/state-rankings/best-states-for-education>.

BusTickets.com. “Bus Travel to Atlanta, Georgia - What to See and Do.” *BusTickets.Com*, 1 Sept. 2018, <https://bustickets.com/bus-travel/atlanta-georgia-what-to-see-and-do/>.

Dill, Peter. “Best Pet Charities in New York City.” *Petlife*, <https://vocal.media/petlife/best-pet-charities-in-new-york-city>.

“Gas Prices in Atlanta.” *Numbeo*, <https://www.numbeo.com/gas-prices/in/Atlanta>.

“Georgia Income Tax Calculator.” *SmartAsset*, <https://smartasset.com/taxes/georgia-tax-calculator#TxxcoaAxWc>.

Kolmar, Chris. “The 100 Largest Companies in Georgia for 2020.” *Zippia*, <https://www.zippia.com/advice/largest-companies-in-georgia/>.

“Map of NYC Commuter Rail: Stations & Lines.” *NYCMap360*, <https://nycmap360.com/nyc-train-map>.

“MARTA.” *MARTA*, <https://www.itsmarta.com/>.

“National Centers for Environmental Information (NCEI).” *NOAA*, <https://www.ncdc.noaa.gov/>.

“New York, NY Crime Rates.” *Areavibes*, <https://www.areavibes.com/new+york-ny/crime/>.

“Novel Perimeter Apartments - Atlanta, GA.” *Apartments.Com*, <https://www.apartments.com/novel-perimeter-atlanta-ga/zwcyjly/>.

NYCgo.com Staff. "NYC Transportation: Getting Around." *Nycgo.com*, 7 May 2010, <https://www.nycgo.com/articles/nyc-transportation-getting-around>.

"PATH (Rail System) - Wikipedia." *Wikipedia*, [https://en.wikipedia.org/wiki/PATH_\(rail_system\)](https://en.wikipedia.org/wiki/PATH_(rail_system)).

Pirani, Fiza. "Georgia Health Care Ranks among Worst in Nation, Study Says." *Ajc*, <https://www.ajc.com/news/local/georgia-health-care-ranks-among-worst-nation-ranking-says/Squ4NpnlTkKln5DV8uwcDP/>.

Ross, Sean. "New York's Economy: The 6 Industries Driving GDP Growth." *Investopedia*, <https://www.investopedia.com/articles/investing/011516/new-yorks-economy-6-industries-driving-gdp-growth.asp>.

The Editors. "Is Atlanta, GA Safe? Warnings and Dangers Travelers Need to Know." *SmarterTravel*, 24 Sept. 2018, <https://www.smartertravel.com/tips-atlanta-warnings-dangers-stay-safe/>.

"Understanding the Basics." *NYC Subway Guide*, <https://www.nycsubwayguide.com/subway/basics.aspx>.

U.S. Census Bureau QuickFacts: United States. <https://www.census.gov/quickfacts/fact/table/US/PST045219>.

"Where New York Places in the U.S. News Best States Rankings." *U.S. News & World Report*, <https://www.usnews.com/news/best-states/new-york>.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando

CASE STUDY #2

CORPORATE FINANCE INSTITUTE: EXCEL CRASH COURSE



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

Kayla Biando

*who has pursued studies and completed all the
requirements for the certificate of*

Excel Crash Course

*with all the rights and privileges
pertaining to this certificate.*



*Certificate number
13852992*

Tom Vipond
Chair of the Board

Scott Powell
Director

Lisa Dalian
Director

Oct 2, 2019

Figure 2.1 Corporate Finance Institute Excel Crash Course Certificate

CASE STUDY #3

BREXIT

With the Brexit Case, after we watched Brexit the Movie, we were required to create a synopsis of the documentary, analyze the viewpoints about Brexit presented within the video, and then go out and explore other viewpoints individuals have when it comes to the United Kingdom and their membership in the European Union. Following our research, we were meant to analyze what it meant for Britain to undergo a “no-deal Brexit” on October 31 and what the United Kingdom might look like as a result of this.

Throughout my research for this case, I have learned an abundance of information about the European Union, and Brexit in particular. Moreover, while conducting my research, I found that prior to this case study I possessed little knowledge about such a large movement, one that has been in the works for around six years. That said, I feel that the completion of this case has increased my knowledge on global economic events a substantial amount. In addition to this increase of knowledge in a broad sense, I learned a considerable amount about the specific sectors, such as trade or industry, that have the potential to experience negative impacts as a result of rearranging the format and operations of a government.

Something I learned while finishing up my case study is that the information online is constantly changing. For example, we analyzed the “no-deal Brexit” because the Prime Minister of the United Kingdom was a prominent advocate for the exit, regardless of if the involved parties had come to an agreement for the withdrawal from the union, but, as of a few hours ago, another article was released to the contrary. This goes to show that for an individual to be accurately educated on a politically motivated current event, one needs to be actively involved in reading up on said event and following it in the news. I feel as though this, the need for continuous research as a result of experiencing

the quick change in current events, was one major take away for me when it came to this assignment. Overall, this case taught me significant amount about global economics, politics, and current events.

Brexit the Movie is a documentary that advocates for the United Kingdom's exit from the European Union. Throughout the documentary, various important figures from the United Kingdom express their opinions on Brexit and stress the importance of the forthcoming vote. *Brexit the Movie* attempts to explain how the European Union operates, specifying that the union is made up of twenty-eight countries and has the power to impose laws on them; however, the real message they portray is that no one is one hundred percent certain about what is going on, how these things operate, or even who is actually in charge (Durkin). This is evident when even the "important" figures of parliament are saying the wrong things about the European Union and when the film director goes around Brussels asking individuals if they recognize the powerful government figures in photographs, which he presents to them (Durkin). Following this explanation of the European Union, individuals question the legitimacy of referring to the government as a democracy because many people are unaware of who is in charge and a "democracy only works if you know who is in charge" (Durkin). That said, democracy was one of the main reasons behind the referendum, which was a vote that had the potential to completely alter the political system of the United Kingdom and is a vote that is still being debated on to this day.

In the *Brexit the Movie* documentary, it seems the unanimous stance or viewpoint is for the Brexit, and this is not without numerous opinions and substantial reason. A major push for Brexit is in the lack of power the people have in their "democracy." Some of the examples they provided about their limited say in governmental activities were that those individuals in positions of power were not voted on by the people, that everything is extremely secretive when it comes to laws and taxes, and that they can be taxed

without any say in the matter (Durkin). One particular Member of Parliament expressed her opinion saying that the “European Union is antidemocratic,” and that leaders have “power without accountability” (Durkin). She then goes on to suggest that they are not worried about being removed from their position, and that they even pay themselves in benefits, allowances, or special tax rates (Durkin). Moreover, one quote that strongly signifies the difficulty of having a say within the European Union was, “seventy-two times Britain has voted against something in the European Union council and seventy-two times they have lost” (Durkin).

On *theweek.co.uk*, they examine the pros and cons of the Brexit, specifically stating that if Britain were to leave the European Union, they would benefit in no longer having to “contribute to the EU budget,” and would experience a substantial increase in immigration and border control – something non-existent when it comes to individuals in other European Union countries wanting to immigrate into the United Kingdom (“Pros and Cons”). Furthermore, many individuals who support the Brexit argue that leaving the European Union would be an opportunity to create new trade relationships, an argument that is also supported in the documentary about the British exit (“Pros and Cons”). More specifically, in the documentary they discuss the impact that being a part of the European Union has on trade, arguing that “being a part of the European Union cuts you off from the rest of the world,” particularly noting that the European Union has “no trade deals with the United States, China, Russia, and so on (Durkin). Overall, according to the documentary, the main reason for wanting to leave the European Union is that the people want a say in how their government operates.

From the opposing standpoint, many individuals argue that there are many reasons the United Kingdom should remain in the European Union. For example, one point they discuss is trade and how Britain “would lose the benefits of free trade with neighbors and reduce its negotiating power with the rest of the world” if they were to leave the union (“Pros and Cons”). They later go on to discuss the negative impact leaving would have on job numbers; employee selection; security from terrorism; as well as on the financing and investment industry, which is currently “seen as a gateway to the EU for the likes of US banks” (“Pros and Cons”). Furthermore, there are numerous benefits that the United Kingdom can reap from being a part of the European Union. For example, *smallbusinessprices.co.uk* lists ninety-eight reasons why Britain should not participate in Brexit. These range from “tariff-free trade within the EU” and “membership of the world’s largest trading bloc with over 500 million consumers, representing 23% of global GDP,” to “the freedom to reside in any EU member state” and “the freedom to set up a business in 28 countries” (“98 Reasons”). From this standpoint, they argue that being a part of the European Union offers an abundance of opportunity when it comes to trade relations, protection, ease of immigration between member countries, and so on. These reasons, along with numerous others, are why some individuals are against the Brexit.

Discussion about Brexit first arose in 2013 under the leadership of Prime Minister David Cameron, who pushed for the referendum that led to 51.9 percent of Brexit supporting votes and 48.1 percent of those in opposition (“Brexit: A Timeline”). As a result of the July 2016 vote, a power shift occurred and Theresa May became the new Prime Minister, a position she used as a platform to advocate for a “Hard Brexit” (“Brexit

Timeline”). Her leadership birthed Article 50, which set the exit date; the “backstop,” concerning Northern Ireland and an open border; as well as a repeatedly failing withdrawal agreement (“Brexit Timeline”). These failures, along with the numerous Brexit extensions, resulted in the end of May’s reign and the beginning of Boris Johnson’s leadership as Prime Minister beginning in July of 2019 (“Brexit Timeline”).

Boris Johnson adopted a steadfast outlook on the British exit, claiming that the exit would occur on October 31, “deal or no deal”(Beswick). Johnson’s strong stance on this exit date, has cultivated mass discussion about a “no-deal Brexit,” which is the idea that the United Kingdom would exit from the European Union “without a formal withdrawal treaty” (“Fact Check”). This concept comes as a result of the numerous exit date extensions, the impending deadline for the exit, and having yet to come to a compromise on said withdrawal treaty (“Fact Check”). On this point, *theweek.co.uk* explains that with the absence of said treaty, there would be “no remaining agreements between Britain and the European Union on how to manage customs, trade, travel, or citizens’ rights” (“Fact Check”). That said, what would the aftermath of a no-deal Brexit look like? *BBC.com* suggests that if a no-deal Brexit occurs on October 31, the outcome would be detrimental to the British economy, specifically touching on port delays and traffic problems. In relation to these problems, *theweek.co.uk* suggests that various industries, particularly food, fuel, and medicine, will likely experience price increases and product shortages. With this, various opposing views have arisen both for and against a no-deal Brexit. For example, former Brexit senator David Davis suggests that “there might even be advantages if the pound were to fall sharply in value following a no-deal Brexit” (“Fact Check”). On the other hand, Doug Gurr, Amazon UK Chief, opposes

saying that “Britain will descend into ‘civil unrest’ within weeks if it leaves the EU with no trade deal in place” (“Fact Check”). Aside from either of these viewpoints, it is important to note that *theguardian.com* released an article earlier today, on October 9, 2019, which claimed to have “extracted a promise from Boris Johnson that he will not go into an election arguing for a no-deal Brexit” (Mason). This is crucial to note with the October 31 deadline impending and Boris’ previously strong stance on exiting whether or not they had a deal.

Works Cited

- “98 Reasons to Stay in the EU: Benefits of Membership for the UK.” *SmallBusinessPrices.co.uk*, <https://smallbusinessprices.co.uk/remain-eu/>.
- Beswick, Emma. “What Is Boris Johnson's View on Brexit?” *Euronews*, 25 May 2019, <https://www.euronews.com/2019/05/25/what-is-boris-johnson-s-view-on-brexit>.
- “Brexit: A Timeline.” *UK News/Al Jazeera*, Al Jazeera, 15 Jan. 2019, <https://www.aljazeera.com/news/2019/01/brexit-timeline-190115164043103.html>.
- “Brexit: All You Need to Know about the UK Leaving the EU.” *BBC News*, BBC, 3 Oct. 2019, <https://www.bbc.com/news/uk-politics-32810887>.
- “Brexit Timeline: Key Dates in the Saga of the UK's Exit from the EU.” *The Week UK*, 6 Sept. 2019, <https://www.theweek.co.uk/100284/brexit-timeline-key-dates-in-the-uk-s-break-up-with-the-eu>.
- Durkin, Martin, director. *Brexit The Movie*. *YouTube*, Funded by Kickstarter, 12 May 2016, https://www.youtube.com/watch?time_continue=2&v=UTMxfAkxfQ0.
- “Fact Check: What Will a No-Deal Brexit Will Mean for the UK?” *The Week UK*, 12 Sept. 2019, <https://www.theweek.co.uk/fact-check/95547/fact-check-what-a-no-deal-brexit-really-means>.
- Mason, Rowena, and Kate Proctor. “Johnson Reassures Tory MPs No-Deal Brexit Pledge Will Not Be Election Policy.” *The Guardian*, Guardian News and Media, 9 Oct. 2019, <https://www.theguardian.com/politics/2019/oct/09/tory-mps-react-with-fury-to-talk-of-no-deal-brexit-manifesto-promise>.
- “The Pros and Cons of Brexit.” *The Week UK*, 4 Sept. 2019, <https://www.theweek.co.uk/brexit-0>.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando

CASE STUDY #4

COMPANY CASE: KYMBERLY-CLARK ANNUAL REPORT REVIEW

For Case Study #4, “Company Case,” we were split into numerous groups and given a public company to research about from a business and financial standpoint. We were instructed to go to *sec.gov* and find the company’s 10-K report, also known as the annual report, for the current year, through the company filings tab. Through a detailed evaluation and reading of the 10-K report, we were supposed to understand the nature of the company’s business, who served as their current auditors, analyze and explain their balance sheet and the use of judgements and estimates, describe their consumer and supplier bases, and breakdown their income statement. With our evaluation of the income statement and its related accounts, we were meant to explain the operating expenses that help in generating revenues for the company and analyze how the company’s various revenue and expense accounts have changed over the past three years. From there, we were expected to make a comparison of our company’s net income to its cash flows and explain what the difference is a result of.

Overall, the purpose of this case was to make us think critically about the financial reporting of a company and gain an understanding of how all the financial statements tie together with the various rules applied by the company selected. More importantly, it was meant to provide us with experience navigating the *sec.gov* website to find and analyze a company’s annual report. With this case, I learned the importance of the *sec.gov* website and the extent of information you are able to find about a company based on the website’s posted reports. Moreover, through my completion of this case, I learned more about a 10-K report, its format, and what it contains; which is something we have just briefly discussed thus far in various accounting classes. In addition to this, it was evident through my reading of the annual report that the footnotes are extremely

important when it comes to better understanding the provided information, the financial statements, and the rules and regulations or policies a company operates by.

Kimberly-Clark Corporation is a global product manufacturing and marketing company with a vision to “lead the world in essentials for a better life through product innovation and building their personal care, consumer tissue and K-C Professional brands” (Kimberly-Clark Corporation). Within their three operating segments, which are noted prior, Kimberly-Clark generates profit through the manufacturing and marketing of a wide variety of products that cater to family, professional, and feminine needs. Some of the products they produce are sold under well-known brands such as Huggies, Kotex, Kleenex, Cottonelle, Scott, and KleenGuard (Kimberly-Clark Corporation).

Kimberly-Clark’s principal executive office is located in Dallas, Texas. Along with this office, they have four operating segments and geographic headquarters at two U.S. and two international locations, and five global business service centers at one U.S. and four international locations (Kimberly-Clark Corporation). Kimberly-Clark is a global company with “manufacturing facilities in 33 countries and products sold in more than 175 countries” (Kimberly-Clark Corporation). In their annual report, they state that they do business in North America, along with in some developing and emerging markets specifically listing “Eastern Europe, the Middle East and Africa, Latin America and Asia-Pacific, excluding Australia and South Korea,” and in the developed markets of “Central Europe, Australia, and South Korea” as well (Kimberly-Clark Corporation).

For their financial reporting, it is important to note that the company’s fiscal year-end is December 31, which is the same as the calendar year-end. When it comes to the examination or preparation of their financial reports, Deloitte & Touche LLP., located in Dallas, Texas, has been serving as the auditing firm for the Kimberly-Clark Corporation since 1928. As their auditors, Deloitte & Touche are responsible for evaluating the firm’s

financials, which includes analyzing their balance sheet, income statement, retained earnings statement, cash flows statement, and any other related statements or pieces of information. On that note, it should be stated that the balance sheet outlines the various asset, liability, and equity accounts that fall under Kimberly-Clark's possession.

Under the Asset section of the company's balance sheet, they have "Current Assets," "Property, Plant and Equipment, Net," "Investments in Equity Companies," "Goodwill," and "Other Assets" listed as their asset accounts. An asset is any item of value to a company. Moreover, under the "Current Asset" section, they include cash and cash equivalents, net accounts receivable, inventories, and other current assets. In their footnotes to their financial statements, they include explanations to a majority of the accounts included in their balance sheet statement. For cash equivalents, such as treasury bills or money market funds, they state that these are "short-term investments with an original maturity date of three months or less" (Kimberly-Clark Corporation. Accounts Receivable is an asset account to record the sale of a product or service on credit, and to note that the amount will be received from the payer in the future. Inventory is an account to record the raw materials, work-in-process materials, and the finished goods to be used in production. In their footnotes, the company records that, "most U.S. inventories are valued at the lower of cost, using the Last-In, First-Out ("LIFO") method," but that, "operations outside the U.S. are valued at the lower of cost or net realizable value using either the First-In, First-Out ("FIFO") or weighted average cost methods" (Kimberly-Clark Corporation).

After "Current Assets," they list "Property, Plant and Equipment, Net," which they say are depreciated through use of the straight-line method and include long-term

assets that last longer than a year, such as buildings, manufacturing equipment, and computer software (Kimberly-Clark Corporation). Following PPE, comes “Investments in Equity Companies,” which Kimberly-Clark states are, “at least 20 percent-owned by us,” but that they can only significantly influence these companies not control them (Kimberly-Clark Corporation). Additionally, they note that these “are stated at cost plus equity in the undistributed net income” and that, “these investments are evaluated for impairment when warranted” (Kimberly-Clark Corporation). In the footnotes, the company explains that Goodwill, “represents costs in excess of fair values assigned to the underlying net assets of acquired businesses,” and is determined through impairment testing (Kimberly-Clark Corporation). Goodwill is an example of an intangible asset, along with other items such as patents or copyrights.

After Assets on the Balance Sheet, comes Liabilities. Liabilities are obligations, such as payments or services, owed to someone who either performed a service on account, or prepaid for a service. The company begins with “Current Liabilities,” which are liabilities due within one year. Kimberly-Clark’s current liabilities are: “Debt payable within one year,” “Trade accounts payable,” “Accrued expenses,” and “Dividends payable” (Kimberly-Clark Corporation). Subsequently they list “Long-Term Debt,” which is debt due in an amount of time greater than one year. Then they have “Noncurrent Employee Benefits,” “Deferred Income Taxes,” and “Other Liabilities.” All of these are examples of long-term liabilities. Following Liabilities on the Balance Sheet is Equity. Equity is the stake that stock owners have in a company. Kimberly-Clark has no preferred stock, has shares of common stock at par value, and common stock held in treasury at cost, retained earnings from prior years, accumulated other comprehensive

income – which comes from unrealized holding gains or losses, and noncontrolling interests (Kimberly-Clark Corporation).

Kimberly-Clark’s customer base is made up of a vast amount of retailers and e-tailers. Some of their customers are Big Lots Incorporated, Walmart Incorporated, Kohls Corporation, Macys Incorporated, CVS Health Corporation, etc. (Kimberly Clark Corporation’s Customer Performance). Since their customers are retailers and e-tailers, their customers buy productions from manufacturers to sell the products directly to consumers. These customers, and many others, use Kimberly-Clark’s products in an attempt to earn a profit by distributing them to their different store locations and putting them up for sale at a higher price than they purchased them for. According to their footnotes, Kimberly-Clark’s main source of revenue is sales revenue, which can be attributed to the sales in their three operating categories of Personal Care, Consumer Tissue, and K-C Professional (Kimberly-Clark Corporation). When evaluating sources of revenue, it is important to identify a company’s revenue recognition policies in order to identify when they recognize their revenue. In their notes to the financial statements, Kimberly-Clark includes their revenue recognition policy stating that recognition occurs “at the time of product shipment or delivery, depending on when control passes,” and only when “a firm sales agreement is in place, pricing is fixed or determinable, and collection is reasonably assured” (Kimberly-Clark Corporation). According to the segment reporting footnote, about half of net sales come from markets outside the U.S. That said, if 2018 net sales were equal to \$18,486 million, then the amount of revenue that came from outside the United States should be about \$9,243 million.

On the other hand, while Kimberly-Clark does supply products to retailers and e-tailers, they also conduct business with companies who act as suppliers for Kimberly-Clark. Kimberly-Clark has a long list of suppliers including Dow Chemical Company, Harsco Company, Mercer International Incorporated, and Crane Company. The company has to go to suppliers to get the raw materials, such as cellulose fiber, chemicals, petroleum, and other synthetic fibers for the creation of their products (Kimberly-Clark Corporation). Along with this, they note that their “manufacturing operations utilize electricity, natural gas, and petroleum-based fuels,” all of which are products of services that need to be provided to them through a supplier (Kimberly-Clark Corporation). Building on this, it is important to consider the different types of costs that are included in the company’s cost of goods sold, in which the costs related to suppliers, products, and services would be included as direct material, direct labor, or overhead. This being said, in total Kimberly-Clark’s cost of products sold for 2018 was \$12,889 million. This includes all direct material, direct labor, and overhead costs involved in manufacturing their product; including the cost of wages, electricity, assembly, and so on. Furthermore, in their notes to the statement, they include that their “distribution costs are classified as cost of products sold” (Kimberly-Clark Corporation).

On Kimberly-Clark’s Consolidated Income Statement, “marketing, research and general expenses” of \$3,367 million make up the operating expenses. “Marketing, research and general expenses” increased from \$3,202 million in 2017 to \$3,367 million in 2018. Keeping this in mind, it is important to note that the operating profit decreased from \$3,358 million in 2017 to \$2,229 million in 2018, which comes as a direct result of the increase in costs of products sold, the increase in “marketing, research and general

expenses,” as well as the decreased other income or increased other expense. It is evident that the decrease in operating profit is a result of these changes because net sales in 2018 is higher than net sales in 2017. Although this increase in operating expenses (marketing, research and general expenses) contributes to a decrease in operating profit, it is important to spend money on this in order to increase consumer awareness of the company’s products, continuously innovate and develop new and old products, and to essentially keep the company operating. An increase in consumer awareness and new or old product development from these operating expenses could help generate revenue by not only increasing one’s consumer market, but by increasing consumer demand with new products as well.

Over the past three years, Kimberly-Clark has seen \$199 million increase in net sales from 2016 to 2018. From 2016 to 2017, the company experienced a 0.33 percent increase in sales from \$18,287 million to \$18,348 million. Then from 2017 to 2018, the percentage increase of the company’s sales more than doubled from 0.33 percent to 0.75 percent, which was a result of the increase from \$18,348 million in 2017 to \$18,486 million in 2018. To coincide with this increase in sales revenues, Kimberly-Clark has experienced a steady increase in the cost of products sold from 2016 to 2018, which started out at \$11,596 million and is now recorded at \$12,889 million. The percentage increase in cost of products sold was 1.42 percent from 2016 to 2017, and 9.59 percent from 2017 to 2018. With these cost increasing percentages significantly higher than the sales increase percentages, it is not shocking that Kimberly-Clark’s gross profit has steadily decreased from \$6,691 million in 2016 to \$5,597 in 2018. On *SeekingAlpha.com*, there is a graph recording the changes in Kimberly-Clark’s gross margin from 2016 to

2018 that correlates with the information provided on their income statement (KMB Financials). A screenshot of this graph is depicted below.



Figure 4.1: Changes in Kimberly-Clark's Gross Margin from 2016 to 2018 from SeekingAlpha.com

As noted, operating expenses increased from 2017 to 2018, but previously decreased from 2016 to 2017. “Other (income) and expenses, net” experienced an increase from 2016 to 2017 and a decrease from 2017 to 2018. Nonoperating expense, interest income, and interest expense sections all experienced a decrease from 2016 to 2017. Moreover, while nonoperating expense and interest expense increased (negatively) from 2017 to 2018, interest income remained the same (positively). Lastly, noting that income before taxes decreases steadily from 2016 to 2017 to 2018, the income tax amounts decrease similarly over the three years. *SeekingAlpha.com* also includes a running income statement from December 2014 to present day for Kimberly-Clark on their website (KBM Financials). This statement is included below.

Income Statement		TTM	Dec 2018	Dec 2017	Dec 2016
Revenues					
Revenues		18,436.0	18,486.0	18,348.0	18,287.0
Total Revenues		18,436.0	18,486.0	18,348.0	18,287.0
Cost Of Revenues		12,158.0	12,348.0	11,761.0	11,590.0
Gross Profit		6,278.0	6,138.0	6,587.0	6,697.0
Operating Expenses & Income					
Selling General & Admin Expenses		3,095.0	3,024.0	3,261.0	3,334.0
Other Operating Expense/(Income)		(10.0)	(39.0)	40.0	(8.0)
Total Operating Expenses		3,085.0	2,985.0	3,301.0	3,326.0
Operating Income		3,193.0	3,153.0	3,286.0	3,371.0

Figure 4.2: Kimberly-Clark Corporation Income Statement from SeekingAlpha.com.

The information provided by both of the images from *SeekingAlpha.com*, the chart and the statement, correlate with what was reported in the annual 10-K report and with what is being seen on the consolidated income statement for Kimberly-Clark Corporation.

(Millions of dollars)	2018
Operating Activities	
Net income	\$ 1,445
Depreciation and amortization	882
Asset impairments	74
Stock-based compensation	41
Deferred income taxes	2
Net losses on asset dispositions	52
Equity companies' earnings (in excess of) less than dividends paid	18
Operating working capital	389
Postretirement benefits	(25)
Other	92
Cash Provided by Operations	2,970

Figure 4.3: Operating Activities from Kimberly-Clark's 10-K Report from sec.gov.

For 2018, the net income attributable to Kimberly-Clark Corporation was \$1,445 million, while the cash provided by operations on the cash flow statement was \$2970 million for 2018.

The difference between the net income from the income statement and the cash provided by operations is a direct result of depreciation and amortization, asset impairments, stock-based compensation, deferred income taxes, net losses on asset dispositions, equity companies' earnings (in excess of) less than dividends paid, operating working capital, postretirement benefits, and other accounts. These are your non-cash income and expense items.

Lastly, in the footnotes, the company clarifies their use of estimates in their financial statements. They specifically state that, "the preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting periods" (Kimberly-Clark Corporation). They also state that they use estimates when "accounting for sales incentives and trade promotion allowances, employee postretirement benefits, and deferred income taxes and potential assessments" (Kimberly-Clark Corporation). On the balance sheet, net realizable value is determined using "estimated selling prices," "plant, property, and equipment" are "depreciated over their estimated useful lives," and Goodwill uses an estimated fair value (Kimberly-Clark Corporation).

Overall, through the analysis of Kimberly-Clark's 10-K report, it is evident that an individual, if interested, is easily able to learn a significantly large amount of information about the operations and the financials of almost any public company.

Essentially, this case helped signify the importance of utilizing the *sec.gov* website when trying to understand how a company operates financially, or even if you are simply trying to figure out who audits a certain company, or you just want to learn more about the overall nature of the company's business.

Works Cited

Kimberly-Clark Corporation. (2018). *Form 10-K 2018*. Retrieved from SEC EDGAR

website

https://www.sec.gov/Archives/edgar/data/55785/000005578519000013/kmb_2018xformx10k.htm

Kimberly-Clark Corporation (KMB) Financials: Income Statement. (n.d.). Retrieved

from https://seekingalpha.com/symbol/KMB/income-statement#order_type=latest_left.

Kimberly Clark Corporation's Customers Performance. (n.d.). Retrieved from

https://csimarket.com/stocks/markets_glance.php?code=KMB.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando

CASE STUDY #5

AN ANALYSIS OF THOMAS SOWELL'S DISCUSSION ON ECONOMIC
INEQUALITY

The fifth case study called for our class to contemplate various political and economic questions, answer them for ourselves to understand our stances on certain subjects, and then collectively watch The Hoover Institution's video titled "Thomas Sowell on the Myths of Economic Inequality." Throughout the course of the video, viewers observe a conversation taking place between the host and Thomas Sowell, which examines Sowell's transformative journey from age nineteen to present day in regard to his understanding and beliefs concerning economic inequality; while also rebutting many of the myths associated with said topic. Subsequent to our viewing of the clip, we were meant to not only recap the video and lay out what we learned from Thomas Sowell's discussion for our audience, but we were also directed to closely analyze their conversation and record our impressions of what was being discussed.

Through my completion of this case, I have learned a significant amount about Thomas Sowell's stance on economic inequality and the myths relating to it, while gaining a greater understanding of the topic and the various viewpoints held in regard to it. One lesson that I feel Sowell's discussion portrays consistently was that individuals should not blindly follow everything said to them, nor should they lead others astray by advising without being educated in the subject matter first. Essentially, he is saying that you can have your own viewpoints and make your own arguments, but you need to do the research first and have the evidence to back what you are arguing. Aside from this, he discusses a number of items that have the potential to impact economic inequality positively and negatively, such as school systems and education, as well as family and work life. Overall, I found it remarkably interesting to hear about his experience, the

transitions in his stances throughout his life, and the stories he told to back up his viewpoints on certain topics.

Upon commencement of the video, it is evident that Thomas Sowell is a greatly accomplished individual of a highly educated background, something that is depicted by his numerous degrees from some of the most prestigious schools, as well as by his publications of numerous books and articles. In one of his books, *A Conflict of Visions*, Sowell describes a “constrained vision” and an “unconstrained vision,” their cause-and-effect relationships with good and bad events, and their associated approaches following the realization of bad events (Youtube.com). While discussing his book, he notes that the novel is meant to be unbiased in regard to the superiority of one vision over another, and rather is meant to encourage individuals to make knowledgeable decisions; or in his words, “it’s to encourage people to understand the implicit assumptions behind all this without which you’re just loose ends” (Youtube.com). From this, it can be deduced that Sowell is not only an advocate for making educated decisions, but he wants other people to be able to freely make their own educated decisions as well. After this, the discussion was guided towards questions concerning economic inequality, specifically relating to the effects of government help, family, education’s role in achieving a better life, and minimum wage (Youtube.com). For example, in his discussion about government help, Sowell describes a negative impact on poverty levels, crime rates, and marriage rates, all of which are results that may be the opposite of what one might expect to happen. When he discusses marriage rates he says, “When you pay people not to get married, more people don’t get married,” and this could potentially impact a family’s economic status (Youtube.com). However, I felt that his biggest argument about the gap between rich and poor was that it comes as a direct result of one’s educational experience. With this in mind, I found his arguments and support to be interesting and informative overall.

Works Cited

“Thomas Sowell on the Myths of Economic Inequality.” *YouTube*, 15 Nov. 2018,
<https://www.youtube.com/watch?v=mS5WYp5xmvI>

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando

CASE STUDY #6

REGULATION FAIR DISCLOSURE

For Case 6, on Regulation Fair Disclosure, we were instructed to assume the position of a public accountant and present a written report to our client addressing their questions, issues, and concerns about Regulation Fair Disclosure. To begin the case, we needed to define, in layman's terms, Regulation Fair Disclosure and describe how this rule impacts financial reporting. Afterwards, we needed to answer our clients question as to why Reg FD exists by reading numerous articles and formulating a response based on the information provided within. The completion of the first two steps was intended to give us a greater understanding on Reg FD, which enabled us to formulate an informed opinion as to whether or not the client's actions were in violation of the regulation. In this case, the client's questionable action was him posting company information on his personal Facebook page. Lastly, after answering his question with our informed opinion, we read an article about the Reed Hastings Rule and Elon Musk's tweets, to determine whether this information would change or support our informed opinion.

From this case, I learned about Regulation Fair Disclosure and how it impacts financial reporting, a topic I had possessed limited knowledge about prior to this assignment. Along with this, I found it interesting that since the rule was issued in 2000, they had to issue a subsequent decision, the Reed Hastings Rule, to keep up with societal growth in respect to social media. Overall, I found this case to be both informative and important, as it increased my understanding of the rules surrounding financial and nonfinancial reporting, and how you cannot be selective in determining who to disclose information to. Moreover, I will be able to use this knowledge in my future career to ensure that I personally do not violate this rule, and to make sure that I am not on the other side of a Reg FD violation that might put myself or others in an unequal position.

This report is meant to define Regulation Fair Disclosure (or Reg FD), explain its existence with supporting documentation, while also addressing the client's questions and concerns. That said, *Investopedia.com* defines Regulation Fair Disclosure as “a rule passed by the Securities and Exchange Commission in an effort to prevent selective disclosure by public companies to market professionals and certain shareholders” (Kenton). Essentially, Reg FD is a rule that was passed to prevent the unfair distribution of company information to limited groups of people. Without such a rule, individuals exposed to “private information” could have an unfair advantage over others with respect to financial matters and decision-making. Having said this, Reg FD exists to level the playing field between analysts and investors (Lomax). In other words, Reg FD is meant to provide everyone with an equal chance at success by ensuring that, if information is disclosed to select individuals and has the potential to influence a decision, that it becomes public information. It is important to note that there is no picking and choosing to whom information is provided to and what kind of information is disclosed. To achieve a greater understanding as to why this regulation exists, reviewing and analyzing articles such as “Grubman Grilled – Solly Analyst Bumbles Before Lawmakers,” “Confessions of a Wall Street Analyst,” and “Pop the Champagne! Reg FD Turns 10,” will provide the readers with a more developed understanding of the history of Reg FD and allow them to explore the events that led up to its creation.

To address your concern as to whether your actions – posting some of the company's current nonfinancial performance measures on your personal Facebook page, are in violation of Reg FD, one would have to consider various components surrounding the posting. For example, is the Facebook page available to the public? If not, will the

content of the post give some individuals an unfair advantage in their decision-making processes? *(Please note that the following is an informed opinion)*. Having evaluated the information provided, along with considering the presented questions, it appears that this action does in fact violate Reg FD.

In the previous segment, the client was provided with an informed opinion about the legality of his action in posting company information on his personal Facebook page. This opinion was formulated prior to my reading of Fortune's article, "Can Elon Musk Tweet That? The SEC May Have an Opinion." Within the article, they explore Elon Musk's tweets that contain potential plans for his company and the controversy that surrounds these. However, it also explains the "Reed Hastings Rule," an SEC decision that came about as a result of the lack of instruction or guidance on how Reg FD applies to social media (Bloomberg). This rule outlines that, "social media [is] "perfectly suitable" for communicating company information as long as investors are alerted, and access isn't restricted" (Bloomberg). That said, considering the Reed Hastings Rule, the client's action of posting company information on his personal Facebook page is not in violation of Reg FD as long as his Facebook page is not a private account, "investors are alerted," and the content is honest (Bloomberg).

Works Cited

- Bloomberg. "Can Elon Musk Tweet That? The SEC May Have an Opinion." *Fortune*, Fortune, 8 Aug. 2018, fortune.com/2018/08/08/what-is-reed-hastings-rule/.
- Kenton, Will. "Regulation Fair Disclosure (Reg FD)." *Investopedia*, Investopedia, 29 Jan. 2020, www.investopedia.com/terms/r/regulationfd.asp.
- Lomax, Alyce. "Pop the Champagne! RegFD Turns 10." *The Motley Fool*, The Motley Fool, 11 Aug. 2010, www.fool.com/investing/general/2010/08/11/pop-the-champagne-regfd-turns-10.aspx.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando

CASE STUDY #7

IS IT TAXABLE?

Co-authored with John McIntyre

With Case Study #7, our class was divided into groups of two. The pairing was carried out by our professor and she formed groups between students who did not previously know one another, in an attempt to make connections between fellow classmates. Each group was handed a case titled “Is it Taxable?” The case itself described a situation in which we, the authors of the case, were at lunch with our CEO and had learned some disturbing news. More specifically, we learned that our CEO’s daughter has been making a significantly large sum of money from her role on YouTube and from related advertisements and that she has not been taxed for it. As the individuals responsible for the CEO’s tax return, this caused an instant panic as we have essentially assisted in tax evasion.

Based on the news we had received; we were told to construct an email to send out to our Partners and the CEO warning them of the repercussions from this. Completing this case study taught our group how taxes work in relation to dependents and what to do with unearned revenue in a money market fund from a tax perspective. Tax Accounting is something our group was mostly unfamiliar with prior to the completion of this case, but now, as a result of conducting this case study, we have acquired a basic understanding of said topic. This case also helped to teach everyone in our class about a topic of particular importance to accounting, ethics. Additionally, given that we are in our junior year of accounting and having to make the difficult choice between tax or audit, this case assisted us with the decision-making process.

Dear Partners,

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

Best,

Tax Team

Dear Mr. Smith,

During our lunch meeting, it came to my attention that your daughter Emma has been earning income from her YouTube channel for the past four years, while also receiving Public Relations packages from fashion and beauty vendors in exchange for advertising services. On top of this, her money market funds are returning three percent interest this year, all of which need to be accounted for as unearned income. These sources of revenue by your daughter, appear to have been untaxed up to this point in time, which could constitute tax evasion, as defined by the IRS. However, after extensive evaluation of the situation, it appears that there are no tax ramifications for your personal tax return and it has been concluded that you are still able to claim Emma as your dependent, given that you provide over one-half of her support. Regardless, it is still important to highlight the potential liability you face for the unfiled returns, as Emma is a minor and you would need to assist in the filing and sign off on the completed returns. That said, since Emma has earned over the standard deduction amount for single dependents over the past four years, prior to and after the 2018 tax rule changes, she owes taxes and should have been filing an annual tax return. According to the IRS, penalties will arise as a result of this filing delay, these being, “5% of the tax owed each month, up until 25%” (irs.gov). Although this is likely something you do not want to hear, it is good that we caught this now, rather than you or Emma being alerted by the IRS in the future.

Works Cited

- Porter, Kim. "When Does a Dependent Have to File a Tax Return?" *Credit Karma*, 28 Mar. 2019, <https://www.creditkarma.com/tax/i/when-to-file-dependent-tax-return>.
- U.S. Department of the Treasury, Internal Revenue Service. *Topic No. 653 IRS Notices and Bills, Penalties, and Interest Charges*. 9 April 2021. Web. <<https://www.irs.gov/taxtopics/tc653>>.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

X *Kayla Briando*

John McIntyre

CASE STUDY #8

BLOCKCHAIN MONOPOLY

Co-authored with Paul Andress

The overall purpose of this “Monopoly meets Blockchain ” case was to simulate the blockchain process for our class and allow our team, the auditors, to experience the intricacies of a blockchain audit. Following our completion of this in-class activity, we were instructed to find an article about blockchain and utilize the source to better understand how our roles in class would tie to the performance of an actual blockchain. At first, the task seemed pretty overwhelming. There were many moving pieces with the four different states trying to buy all of the same properties through the use of runners. These runners had to go to “Big Papa” and “Big Mama” in order to record the purchase of each property. Afterwards, the runners had to report the transactions to the cloud, which served as the general ledger of all of the transactions.

From our participation in this case, our team began to accumulate a surface-level understanding of how blockchain worked from the in-class activity and we were also able to become significantly more educated on the topic of blockchain through our readings of blockchain-related articles. This case was valuable because as blockchain “invades” our economy, it is important that we, as future accountants, learn as much as we can about how this innovative technology works and the accounting processes that will surround it. More specifically, this case taught us that with the rise of the new technology and this method of carrying out transactions, the need for a new type of audit arises. This new type of audit would be an audit on the blockchain general ledger, which we have now realized will not be an easy task. When entering the accounting world in the near future, this case will allow us to be slightly more confident when discussing blockchain.

Question One: What is Blockchain? Blockchain is a transaction ledger in which only new information can be added. This means that previous information cannot be added to or altered on the ledger. Cryptography secures the blockchain by linking the contents of new blocks with blocks before it. That said, if any changes are made to the information in a previous block in the chain, the data in all the blocks following are invalidated. Blockchain, in its simplest form, is a chain of blocks. Blocks are digital information stored in a public database referred to as the chain. When a block stores new information it is added to the blockchain. Blockchain is gaining popularity and attention, by association, in the realm of business. One reason for this traction being that it is decentralized, or in other words, it is not owned by a single entity. Additionally, Blockchain is transparent, so the data can be tracked by anyone.

Blockchain is one of the first ways to secure and validate ownership in a digital asset. It allows businesses to verify transactions in a public manner that does not involve trust or reliance on another entity. The benefits of blockchain are that its history cannot be rewritten, which make it extremely accurate because it is approved by a network of millions of computers and removes human involvement.

One complicated aspect associated with the use of blockchain technology is the presence of public scrutiny. While blockchain has many benefits, it is not great for utilization within every industry. For example, hospitals and other health professionals should not use blockchain for medical records, given that blockchain is public and this would violate doctor-patient confidentiality. Another present complication is that it is impossible to change erroneous information that is added to the blockchain (Iinuma).

Additionally, blockchain is expensive, the supporting technology is still under development, and it is susceptible to being hacked.

Part Two: Explain the experience of the Monopoly meets Blockchain Exercise. In this case, our class was split into groups and assigned one of the following roles: Mama and Papa, Auditors, The Cloud, or Business Managers. Our team took on the role of auditors for the system and were instructed to circulate the room and ensure none of the other groups were reporting information that was fraudulent or erroneous. The main priority for our team, as determined by our job description, was to certify that the financial statements of each business manager were prepared accurately and in accordance with the Generally Accepted Accounting Principles, or GAAP. This being said, our responsibility was not limited to solely performing these checks on the managers but included holding both “The Cloud” and “Mama and Papa” accountable for their sides of the transactions as well. Although having to ensure that three different groups maintained accurate financial statements undoubtedly increased our liability as auditors; it also provided us with a permanent record of each transaction from three viewpoints, allowing us to be more confident in the results of our audit.

As an auditor in the system, we found it was fairly difficult to oversee all of the parts of the chain. One of us monitored big papa and big mama to make sure the roll of the dice was fair when randomly assigning numbers to each property. Another auditor went to the cloud to make sure all of the transactions were properly recorded in the general ledger. On top of making sure big papa, big mama, and the cloud were correctly recording events, we also tried to make sure the members of each individual state were playing by the rules and accurately reflecting the events as they happened. This

experience showed us that auditing a process as complex as blockchain is exceedingly difficult. While technological improvements could drastically help auditors with the task of auditing blockchain, this project showed us that the accounting profession is constantly evolving. With complex technology such as blockchain, the need for accountants to audit these types of systems is extremely high. This is exciting as we set out to start careers in the accounting profession.

Overall, this experience exemplified that auditing a new, complex technology like blockchain is not easy. Moreover, it was evident to our group that the difficulties we experienced attempting to audit our small scale blockchain simulation could potentially be transferred into significantly larger and more intricate struggles for the larger scale; however, we hope that the range of technology and knowledge available surrounding a real-life blockchain audit would be able to prevent this. That said, for our small-scale simulation, we found it was difficult to constantly keep up with the three different groups and make sure all of their records were accurate. In short, these difficulties could be attributed to the small size of our team, our lack of resources - including zero technology, and the lack of order in the system as a whole. In stark contrast to our personal experiences, in a real-life example of blockchain there would be better, more innovative technology to keep track of all of the transactions and the general ledger. This experience of blockchain simulation is similar to real life blockchain because once a transaction was entered by big mama and big papa or the cloud, it could not be reversed.

Part Three: How likely is Blockchain to work for the entire global economy?

Whether or not Blockchain would work for the entire global economy is dependent on a variety of factors which may include, but are not limited to, cost, security, and

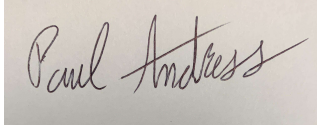
technology. Blockchain is a great new technology, but it is also exceedingly expensive. That said, in order for it to work for the entire global economy, the benefits of the blockchain must heavily outweigh the high costs of running the technology. While some large corporations may be able to afford blockchain, it is going to be difficult for small businesses to adopt it unless the costs to process drastically decreases. Hopefully, as technology advances, blockchain will be easier to run and should cost less to process. Another major factor is security. Blockchain needs to be secure in order to work for the entire global economy. Right now blockchain is susceptible to being hacked. Before it can be adopted by the entire global economy, we must have confidence that blockchain can be trusted to protect data.

Works Cited

Iinuma, Arthur. "Council Post: What Is Blockchain And What Can Businesses Benefit From It?" *Forbes*,
<https://www.forbes.com/sites/forbesagencycouncil/2018/04/05/what-is-blockchain-and-what-can-businesses-benefit-from-it/>.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case study.”

A rectangular box containing a handwritten signature in cursive that reads "Paul Andres".A handwritten signature in cursive that reads "x Kayla Briando" with a horizontal line drawn underneath the signature.

CASE STUDY #9

INTERVIEW OF A MEMBER OF THE BUSINESS COMMUNITY

With the coronavirus having spread into the United States, the University of Mississippi had to close its doors following spring break and enacted an emergency procedure plan that involved remote online learning. As a result, our course evolved, and we were presented with the opportunity to partake in an interview for our ninth case. With this case, we were instructed to reach out to someone in the business community by phone and set up a time to carry out an interview with them. Although who we interviewed was not particularly regulated, there were constraints set on the age of the interviewee. This constraint, that the interviewee be over the age of thirty-five, was put in place to ensure that the individual is substantially established in their professional career within the business world. Essentially, more years in the business world could correlate to a better interview, with more advice and topics to discuss. Aside from this, being at the point in our recruiting process where we have started to receive offers and now have difficult decisions to make, the information and advice we receive can ultimately help us in making our final decisions.

Overall, I have found this case to be beneficial for two reasons. First off, with the working world just a few years away, being able to hear about others' experiences in accounting and what they would do differently is insightful. Secondly, having interviewed my mom, I found it was a great opportunity to learn more about her career as an accountant; especially because she has had experiences in both audit and tax, in a big four firm and more industry-focused firms, as well as in working in a start-up. With her various experiences, I feel our interview taught me a lot about the different aspects of accounting and the paths within the profession. But more importantly, I learned a lot from the advice she gave, especially when she discussed staying at the big four and the

opportunities that could hold. Overall, this case was not only informative, but it was also an enjoyable change from being the interviewee, during the recruiting process, to acting as the interviewer.

Tricia Biando grew up in a small farm town located in Spencer, Massachusetts. Everything is so small to the extent that the downtown area was twelve miles from her home and contained only a McDonalds, a Dairy Queen, and a grocery store. With that scene set, it was no surprise when she described to me that her high school was not a college prep school, but rather one that helped set students up for success in various trades. That being said, as an individual who really liked school, was highly active in the band, and hated living in such a small town; she was always very motivated to succeed in school, go to college, and eventually move to a bigger city.

With college in mind, she became interested in attending The College of the Holy Cross but was told by many – her guidance counselor included, that she would not be accepted into such an academically challenging school. However, she proved those individuals wrong and eventually found herself enrolled there as a student. During her time college, she specified how stressful it was because while her high school did not set her up for success in such an academically challenging environment, she also worked three jobs to pay her tuition. Additionally, she spent the first half of her freshman year as a commuter, which resulted in her having a different initial college experience than her peers and contributed to the difficulty. Upon her initial entry into the college, she was enrolled as a political science major with the intention of becoming an attorney. However, at the end of her freshman year, she changed her major to accounting and economics because she decided that the schooling for the other program was too difficult and seven years too many. Essentially, she decided that accounting would be an easier degree to pursue and she did not want to pay for the extra years that came with becoming an attorney.

After learning about her college career and how she ended up in accounting, we discussed her various jobs throughout her life and what important things she learned within each position. That said, having had numerous jobs growing up, beginning at the age of thirteen at a newspaper stand, we decided to only focus on her professional career after college. After graduation, she started her accounting career in audit at Kenneth Leventhal in Massachusetts. She worked there for around a year before the firm was acquired by Ernst and Young. Upon acquisition of the firm, she relocated to Atlanta and worked in Ernst and Young's "Ernst and Young Kenneth Leventhal Real Estate Tax Group." At this job, or essentially two jobs merged into one, she learned that audit is fun if you do not like sitting in the same office all day, every day. Also, I feel it is important to note that initially after college she was offered positions at both EY and Kenneth Leventhal; however, she ultimately decided on the latter because they offered more opportunities to travel, being a smaller firm. From this choice; however, she learned that travel is not as fun when you are working long hours and eat all your dinners by yourself – something she had to do when she was sent to Miami for two months alone just two weeks after her initial training with the firm. She remained with EY for around two and a half years before leaving to work in industry at Jameson Inn.

Jameson Inn was a publicly traded hotel chain and she worked there as their director of tax for two years before becoming their controller. As the controller, she supervised the entire accounting department and was responsible for the SEC reporting with their attorney. Having worked as an auditor at Kenneth Leventhal and EY prior to this, her position at Jameson Inn allowed her to see a completely different perspective of the accounting process. Rather than just looking at an overview of the results from an

auditing standpoint, she was able to fully understand how and why accounting information for the company was put into the system. From this experience, she feels that it would be greatly beneficial for auditors to learn and understand how accounting works from an industry standpoint. After leaving Jameson Inns, she spent a few years working in other industry jobs as their controllers, before ultimately starting a fire protection business with her husband. Overall, she felt that all of her professional experiences have enabled her to be effective in starting up and operating a business.

Outside of work Tricia claims her life is fun, exciting, and always busy. In her free time, her hobbies include tennis, running, and watching her kids' extracurricular activities. From this, it was no surprise when she said that her kids are what she is most proud of. Additionally, she is not one to sit around with nothing to do and is finding this time of world-wide isolation (in a sense) to be difficult and boring as a result. That said, prior to these events, she did enjoy traveling. Her favorite destination thus far was in South Africa, where she had the opportunity to go on a photo safari. She said the only downside of this trip, was the long travel time which consisted of a sixteen-hour flight with a following three-hour flight and then a two-hour drive. Aside from that, she found the trip to be very enjoyable and said it was a once in a lifetime experience.

Towards the end of our discussion, I asked her if she had any advice to give to me and my classmates that she wishes she had known as a 21-year-old, concerning a career in accounting. She specifically said that she wished she would have stayed at Ernst and Young longer because she feels that there are so many more opportunities available at a bigger firm. So essentially, the advice she would give is that if you are starting your

career at one of the Big Four accounting firms, try to stay at least five years and maximize your opportunities before you leave to go work elsewhere.

For my last two questions with the interviewer, I asked what she thought the biggest challenge for her generation and my generation would be in the future. She said this question was difficult to answer given the current situation. Right now everyone is experiencing challenges in their everyday lives related to the coronavirus and that it would be difficult to determine what the biggest future challenge for either generation would be in the midst of all this uncertainty.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

X Kayla Briando

CASE STUDY #10

INTERVIEW OF A SENIOR ACCOUNTING MAJOR FROM THE UNIVERSITY OF
MISSISSIPPI

Typically, when interns return from their internship, Dr. Dickinson is able to coordinate an intern panel for the previous honor students to come in and discuss with us their internship experiences and answer any of our questions. However, with the switch from in-class learning to online learning, it was inevitable that this case be changed. As a result, Dr. Dickinson paired each of us up with an intern and was able to match us with individuals who worked for the firms and locations we are deciding between. I found this beneficial as we were able to get advice more catered to our particular decisions and it allowed us the opportunity to ask more specified questions. That said, this case was intended to be more conversational in nature rather than a question-and-answer format, thus we were not given any questions to prompt our interview. With this case, we were specifically instructed to contact our interviewee and set up a meeting time, host a conversational interview, and take detailed notes to account for and later recant what discussions took place during our call.

Overall, I found this case to be advantageous as we are at the point in our recruiting process where we have offers and have to ultimately decide where and for who we want to work for. Being able to speak with Ty gave me the opportunity to learn from someone who had already gone through the recruiting process, in both New York and in London, and understand what the process looks like going forward. Also, this was a great opportunity to learn about what interning in London looks like, especially since it is a less common experience and is therefore discussed less. Additionally, being able to sit down and talk to someone who has had a similar experience to my own thus far, I was able to learn what factored into his decision-making process and I hope to be able to utilize some of his advice when making my final decision.

After our initial conversations about how we are adjusting to everyday life with the current societal changes, me with online classes and him with finishing up his internship from home, we were able to shift our discussion to working in the professional accounting world. To begin, I asked Ty which firm he accepted an offer with and where he was currently interning. From this, I learned that he is employed by Deloitte in the London office with their U.S. Business Tax group. Unlike some of the internships that took place in the U.S. offices (which typically end around Spring Break), the Deloitte London internship is still ongoing; however, about a week ago Ty flew back to the United States to complete his work remotely and online. He expressed that since the London internship is longer, around twelve weeks instead of eight, he feels like he is getting more out of the experience and that it was not until later on in the internship that he really felt like he understood what was going on. In other words, other internships typically end right when people are getting a really good understanding of their role, but he feels like the four additional weeks are really beneficial once you have a good sense of direction and are able to take on more tasks.

Having also applied to the Deloitte London internship program, I felt this interview would be a great opportunity to learn about Ty's candidate process and how he ultimately decided on a specific firm and location. Ty said that during the application process, he only applied to the firms in New York and then additionally applied to the Deloitte program offered in London. This piqued my interest as I too applied for the firms in New York and the London opportunity, with the exception of one additional firm being located in Atlanta, my home city. Out of curiosity I inquired as to why he was initially interested in applying to and working in a London office. Ty informed me that

although he had never been to London, he was interested in going to college in London straight out of high school and that since that did not work out, being presented the opportunity for a second time was too good to pass up. Although he was not too confident that he would get the offer, he did end up successfully securing a spot on their U.S. Business Tax team.

Having known the Deloitte London recruiting process is later than the typical University recruiting process (per my application), I asked Ty to tell me a little bit about his experience with being recruited for the London office while also interviewing with New York offices. He told me he heard from the New York offices at the same time as everyone else but then did not hear back from London until late May or early June. This makes the process slightly difficult because you hear back as to whether or not you got the position around the same time that formally accepting offers are due for the U.S. firms. Ty assumed he was not getting an offer at that point in the process and almost accepted with another firm in New York when he found out he got the job. From his personal experience, he advised me to be patient because the Deloitte London office is on the smaller side, so it takes them a little bit longer to push through the recruitment process, especially now with the coronavirus and having to work from home.

After learning more about his experience with the recruitment process, we transitioned into discussing his time in London. He told me that it has definitely been an interesting and weird experience because upon his arrival in London the whole Brexit deal was happening and then after that, the whole coronavirus pandemic began to shift the way the world was functioning, so he has to now finish up his internship remotely. Aside from that, he spoke positively about London specifying that he enjoys the slower-

paced life and work environment that they have there. Rather than booking the typically eighty- or ninety-hour work weeks that you would in a New York office, it is more customary to work around thirty-five-hour weeks. He expressed that one downside to this is that you are not picking up overtime as you would at other internships; however, that this does not significantly influence your pay as your contract with their office is salary based.

In addition to this, he explained that there is probably a pay difference between the New York and London office, but the price of living factors into this, along with some other benefits that the office provides. For example, some of the benefits that he has enjoyed with this internship are that they find and pay for your housing and pick up the cost of your flight to and home from the internship. This was really helpful for him and his friends because it would have been difficult to try to coordinate their own housing in a foreign country for three months. Along with this, the housing is located right in central London, allowing for easy transportation to and from work. He also added that working in London allows you to easily take weekend trips to other countries, which a lot of the interns choose to partake in.

Towards the end of our discussion, we were able to discuss what he really enjoys about tax. This was an important part of our discussion because we both experienced uncertainties as to what field to enter into, resulting in both of us submitting our applications to the U.S. firms for audit positions, but to the London firm for tax. He said he ultimately picked based on the city but has found that he really enjoys working in tax. Some things he specifically enjoys about it are being able to work with a team like the auditors do, but still having his own work; working in the Deloitte office rather than out

of the client's office; and he particularly enjoys tax because it feels like a puzzle. He also noted that even as a tax professional you still get to play around with some of the audits and financial statements at some point.

To close out our discussion, I asked Ty if he had any advice for me concerning the recruitment process or working in the London office. He said at the end of the day pick what is best for you and if it eventually does not work out, it will still be a good resume booster and you are likely able to move around in the future. Additionally, he said that picking between the Big Four is not the most important thing because they are similar and all good, but that it is significantly more important to look out for the people you meet and base your decision on who you can see yourself working with. Lastly, concerning the London office, he said it is good to have a friend when you come over there – which is something he was actually able to do. Overall, I felt that I really learned a lot in our discussion which will help contribute to my decision-making process, especially since we were both in similar situations trying to decide between working in New York and in London.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

X Kayla Briando

CASE STUDY #11

THE RECESSION

With case eleven, our final case for this thesis class, we were instructed to explore a set of materials in the strict order in which they were presented to us. That said, the learning began with a video distinguishing between capitalism and crony capitalism, explaining how the latter is immoral due to the corruption that surrounds it. Following this, we had the opportunity to watch *Inside Job*, a movie from 2010 that explores the 2008 financial crisis in great detail, while also considering how particular actions and events led up to the fall. With this film, we were also able to watch numerous interviews and experience various viewpoints of the events, how they unfolded, their impact, and so on. After the film, we were meant to read three articles. The first article was titled “Recipe for Disaster: The Formula That Killed Wall Street” and it essentially discussed how an underdeveloped formula, that was so blindly followed, largely impacted the economy and fueled the financial crisis. Next, we looked into an article titled “The Great American Bubble Machine,” which discusses the detrimental influence a company, Goldman Sachs, has had on past economic markets. Lastly, we read “‘We Don’t Want Him to Have the Self-Satisfaction’: Why Wall Street Hates the Trump Economy.” This article explores a Wall Street banker’s views on Trump and Trump’s actions, and why he wants Trump to experience no satisfaction. After finishing our exploration of all these sources, we were instructed to answer five questions in our analysis, which can be found italicized in the following case.

After I completed this case, I realized how little I really knew about the financial crash that occurred in 2008, as well as the events leading up to it. Having been so young when it actually occurred, I did not realize that it really was a result of insider actions, nor did I realize it had a lot to do with mortgage loans. That said, this case has attributed significantly to my knowledge surrounding this event and has highlighted for me the importance of controls and checks on individuals and industries, limiting conflicts of interest, educating others, and considering all potential outcomes (in other words not blindly following formulas or others for that matter). Overall, this case taught me a lot about the financial environment and has attributed to my increased awareness on how negatively an individual's actions can impact society.

After watching the videos and reading the provided articles, we were first asked to answer this question: *How did the materials watched/read change your beliefs and what do you think this knowledge means for the future?* In all honesty, prior to this case I lacked a significant amount of knowledge surrounding the 2008 financial crisis, its causes and effects. This lack of knowledge, whether it be attributed to the fact that I was around nine when the events were unfolding, or because I never really read much into it as I have grown older, made for an interesting and captivating case. I now realize these financial crises are not just a result of the changing economic environment, but rather the corrupted outcome of actions interpreted as fraudulent and professionally unethical. That said, if conflicts of interest, vulnerabilities, and lack of knowledge arise in the future, then unfortunately it appears (from past trends) that financial crises concerning the average American are inevitable. With this understanding, one could only hope for more effective

limits in place to lessen potential conflicts of interest and decrease the chance that an event of this type reoccurs.

Next, we were asked to address the question: *How did the materials watched/read change your beliefs about your role in society, both professionally and personally?*

Reflecting on this case, I can confidently say there are lessons to be learned from it in both a professional and personal standpoint. Professionally, I feel like this film really speaks to the importance of acting with integrity and with the best interest of others at mind. It specifies the need for a segregation of duties and limiting conflicts of interest where they are present. Additionally, it exemplifies how a few people can have such a large impact on the economy as a whole. Aside from providing these lessons to me, it underlined the importance of auditors, who are meant to check the operations and help prevent these events from happening, a role I hope to take on in the future. From a personal standpoint, these materials helped me realize that I need to be informed about the financial actions I take in my everyday life.

After analyzing my role in society and how the information learned influenced how I see my role, we are now able to examine the potential impacts that could arise from current events, more specifically referencing the Covid-19 outbreak. Thus, we were instructed to answer the question: *How, if at all, will the current virus crisis change the economic/political climate in the United States?* If we look at society today, with the closure of schools and nonessential businesses, with restaurants resorting to takeout only, and many states operating under a stay-at-home order, we can see that the virus crisis is already significantly impacting the everyday operations of the United States. Additionally, in the earlier stages of the virus within the United States, the economy

experienced a significant downturn in the markets, many of which are struggling to return to earlier positions. This not only negatively impacts the businesses, but it also hurts the stockholders, many who may be experiencing losses with the market fall. We also see the virus impacting airlines, who are needing to be bailed out now, and the oil industry, which is producing so much oil and running out of storage space with the lack of demand. The virus has attributed to a change in education and work-life, both of which are taking place at home for the majority of individuals. Aside from the economic impacts, we have seen the political climate shift to focus more on the virus and how it is to be approached. Depending on the timeline of the virus, and how the world adapts after it, we could see significant, hopefully positive changes, to society.

The last two questions we needed to explore are: *Are there any lessons to be learned from our recent financial history? Is this a chance to unwind the status quo?* After watching these films and reading these articles, I definitely feel there is a lot to learn from our recent financial history. For example, it is important to be educated about potential outcomes, rather than blindly following others. It teaches the negative influence that individuals with too many roles or too large a role might potentially have on society. It emphasizes the importance of limitations, controls, and having checks in place. However, even with the current environment susceptible to change due to the virus, it is unlikely that the status quo would unwind without the application of some of these lessons to economic operations.

Honor Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this case.”

x Kayla Briando