

University of Mississippi

eGrove

Honors Theses

Honors College (Sally McDonnell Barksdale
Honors College)

5-2022

Analysis of Accounting: A Series of Case Studies Examining Relevant Topics and Concepts

Jermaine Barnes Jr

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



Part of the [Accounting Commons](#), [Corporate Finance Commons](#), and the [Taxation Commons](#)

Recommended Citation

Barnes Jr, Jermaine, "Analysis of Accounting: A Series of Case Studies Examining Relevant Topics and Concepts" (2022). *Honors Theses*. 2537.

https://egrove.olemiss.edu/hon_thesis/2537

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.

Analysis of Accounting: A Series of Case Studies Examining Relevant Topics and Concepts

by

Jermaine Barnes Jr.

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

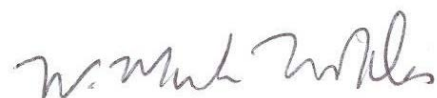
Oxford, MS

May 2022

Approved by



Advisor: Dr. Victoria Dickinson



Reader: Dr. Mark Wilder

TABLE OF CONTENTS

Abstract.....	3
CASE ONE: A Tale of Two Cities.....	4
CASE TWO: Asset Concepts.....	20
CASE THREE: Presidential Debate.....	32
CASE FOUR: Excel Course.....	36
CASE FIVE: Taxodus.....	39
CASE SIX: Mentor Interview.....	48
CASE SEVEN: Case Competition Week One.....	59
CASE EIGHT: Case Competition Week Two.....	64
CASE NINE: Case Competition Week Three.....	71
CASE TEN: Case Competition Week Four.....	76
CASE ELEVEN: Case Competition Week Five.....	82
CASE TWELVE: The Financial Crisis of 2008.....	86
Presentation Summaries.....	95
Bibliography.....	101

Abstract

This thesis is a compilation of various case studies addressing relevant issues and concepts within the field of accounting. It is composed of twelve cases designed to address and analyze numerous topics that are currently relevant to the field of accounting and my future career within this field. The information presented herein addresses a wide range of necessary skills and knowledge applicable to this field, and this information was gathered through analyzation and documentation of a multitude of topics, such as the Financial Crisis of 2008, the first presidential debate of the 2020 election, the various demographical trends of cities I may potentially live in during my career, and a variety of others.

Case One: A Tail of Two Cities

Jermaine Barnes ACCY 420

Dr. Dickinson

Summary

This case involved us deciding our current top two cities that we would like to live in once we graduate and evaluating them. We evaluated them on things such as their tax rates, entertainment, transportation, industries, living spaces available, and even their religious and civic organizations. The case provided us with questions that allowed us to develop a practical sense of what life would be like in these cities, and it also allowed us to begin thinking about certain factors that should influence our decision of where we ultimately choose to move and begin working after we graduate.

The two cities that I chose were Fort Worth, Texas and Memphis, Tennessee because I wanted to stay in the southern part of the U.S. without being too close to home. I was able to examine many aspects of both cities and I experienced an in-depth look at the different factors that go into living in these cities. I was tasked with conducting research for many aspects of my potential day-to-day life in these cities. This research ranged from the place that I would go grocery shopping to the amount of money I may spend on gas for my car or transportation each month. Being able to examine all of these different aspects in relation to these cities has made me much more informed on the potential experiences of living in each of them, and it has made me much more confident in my preference of where I would like to live in the future by allowing me to actually confirm it through independent research of each city. I was also able to examine how I felt about each factor and eventually choose which city I would prefer between these two. This entire process required me to choose two cities to research, research and examine them, and then choose between them; likewise, it has caused me to be much more informed on what this experience will be like in a few years.

Memphis, TN vs. Fort Worth, TX

1.) What is the population?

Memphis:

The current population of Memphis is roughly 658,000 people and of those people around 55 percent of them are between the ages of 18 and 65. The city of Memphis also has a 71 percent minority population and nearly 48 percent of its citizens identify as male. These ratios are particularly interesting to me because it shows that a large portion of this city identify with some of the same groups demographically that I do, and I feel that this would make it somewhat easier to meet plenty of friends with the same interests as me.

Fort Worth:

The current population of Fort Worth is roughly 909,000 people and nearly 55 percent of the population are between the ages of 18 and 65. The city has a male population of 49 percent and a minority population of nearly 36 percent. There is a significant difference in the minority population between this city and Memphis, TN; however, they have a significantly higher total population which means that there could potentially be even more of a prospect of me getting to make a variety of new friends and experience multiple cultures within this city.

2.) Describe the climate and seasonal fluctuations. Are you accustomed to living in this weather?

Memphis:

Memphis gets around 16 more inches of rain each year than the national average of 38 inches annually in the U.S. and only gets about three inches of snow in the Winter, while the average high and low for the temperature is 91- and 30-degrees Fahrenheit, respectively.

Furthermore, the city was given a seven out of ten rating on its comfort index

(BestPlaces.net). This is a climate that I am already very much accustomed to because I have lived in South Mississippi my entire life, and this was one of the factors that influenced my interest in potentially wanting to live in this city.

Fort Worth:

Fort Worth gets roughly 37 inches of rainfall, one inch below the national average, and it only gets about one inch of snow a year as well. The annual average high and low for the temperature of this city are 96- degrees and 35-degrees Fahrenheit, respectively. The city was given a 7.2 out of ten on its comfort index which is slightly above Memphis, and this is a great sign as well because the climate of this area is once again very similar to my hometown with only a few minor differences (BestPlaces.net).

3.) Describe the city's topography, scenery, and other geographic or geological features of the area in which the city is located.

Memphis:

Memphis has an average elevation of 338 feet and numerous parks situated throughout the city and the smaller surrounding areas; furthermore, a lot of these parks offer amazing views of the Mississippi River and the diverse wildlife throughout the area. These parks include some of the more well-known ones, such as Butler Park (Image 1-1) and Tom Lee Park (Image 1-2), and some lesser-known parks as well, such as Overton Park. The access to nature provided by these parks and the abundance of wildlife found in and around them are very important to me because I have always loved being around nature and would love to have access to areas like these once I am beginning my career.

Fort Worth:

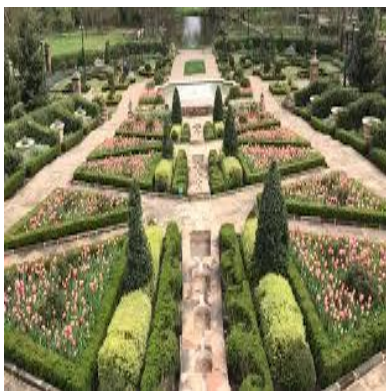
Fort Worth has an average elevation of 653 feet and has multiple, beautiful gardens throughout the city. These gardens offer the citizens of this town a chance to view nature uninterrupted and to take in the amazing sights provided by these beautiful areas. The two most popular gardens in this city are The Fort Worth Botanic Garden (Image 1-3) and the Fort Worth Japanese Garden (Image 1-4). As I have already mentioned I have a strong interest in nature and these gardens offer me the opportunity to continue to connect with this interest even more in this city as well making this a definite benefit of this city.



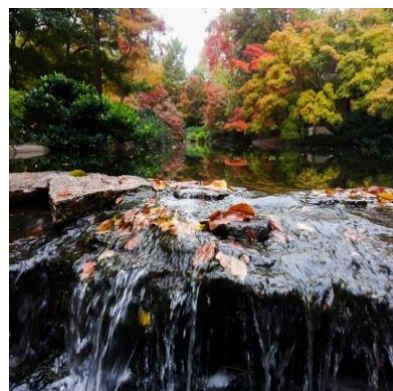
1-1.) Butler Park



1-2.) Tom Lee Park



1-3.) Fort Worth Botanic Garden



1-4.) Fort Worth Japanese Garden

4.) What are the individual tax rates within the city?

Memphis:

Tennessee is one of ten states that have no personal income tax, and it also has no personal property tax as well. This means that the only tax rates I would be paying if I lived here would be the sales tax rate of 9.25 percent and the federal income tax that would total roughly \$7.9 thousand for the provided example first year salary of \$55 thousand. That is an insignificant amount in comparisons to other cities across the country, and I am very pleased with the possibility of having more financial flexibility as a result of this.

Fort Worth:

The only taxes that would be applicable to me in this city would be the sales tax and the federal income tax as well. The federal income tax would still total roughly \$7.9 thousand for the example salary and the sales tax rate is 8.25 percent representing a, once again, insignificant amount paid in comparison to other cities within the United States. This is major benefit of living in this city, and it has yet another similarity to Memphis by the increased financial flexibility this could produce.

5.) What are the transportation hubs in the city?

Memphis:

The Memphis area has a local taxi service, Uber and Lyft are both prevalent in the area, the Memphis Area Transit Authorities (MATA) assist in public transportation through the use of buses and vans, and the city also is home of the Memphis International Airport. This variety of transportation available within the city assures me that travel options will not be a major issue while living in this city.

Fort Worth:

Fort Worth's main form of public transportation is the Trinity Metro system, this system includes multiple buses, a carpool system, and even a vanpool system. There is also the Trinity Railway Express system that runs throughout the Fort Worth-Dallas and multiple airports within and around the area ensuring that forms of transportation, although differing slightly, are not lacking in this city either, so this will still allow me to travel freely.

6.) What are some of the city's most prevalent industries? What are the city's largest companies?

Memphis:

The most prevalent industries within this city are transportation and logistics, agribusiness and technology, and also medical devices and medical innovation and its largest companies are FedEx, ServiceMaster, International Paper, and AutoZone. These are all very prevalent industries in the country and they show that this city offers a lot of opportunities for me to still work in accounting while getting to explore other fields such as the medical or logistics fields.

Fort Worth:

The most prevalent industries within Fort Worth are the oil and gas industry, the manufacturing industry, financial services industry, and the aviation and aerospace industry and its largest companies are American Airlines, Bank of America Corporation, BNSF Railway, and Alcon. This city has a wide variety of industries available as well and I am intrigued once again about the possibility of getting to dive deeper into these industries during my career.

7.) Describe the quality of the city's healthcare. Describe the quality of the city's school districts (K-12). Would your children attend public or private school?

Memphis:

Memphis has very exceptional healthcare facilities including Baptist Memorial Hospital, Methodist Healthcare, and Le Bonheur Children's Hospital and one of its main industries in medical innovation proving that it has a good degree of healthcare quality and it also has seven school districts that received a grade of a B or higher righting while ten received a B- or higher rating (Niche). Furthermore, I have always been a strong believer in the diverse social skills that are typically developed at public schools and would have my children attend one.

Fort Worth:

The Fort Worth area is nationally known and renowned for its healthcare services, and it even has two nationally recognized hospitals in Parkland Memorial Hospital and Baylor University Medical Center. The area also has fourteen hospitals on the "Best Hospitals" list produced by U.S. News. Furthermore, there are 12 school districts that received a B or higher grade and 13 that received a B- or higher graded on the same list mentioned earlier. This is a significant increase over the city of Memphis making this city the seemingly clear choice in terms of education.

8.) What types of crimes are common within the city and where are the areas within the city to avoid?

Memphis:

Memphis has a crime rate that effects of 84 out of every 1,000 citizens; furthermore, the top victim crimes are murder, armed robbery, burglary, and motor vehicle theft. The three areas that have the highest crime rates within the city are the Downtown area, the Parkway Village-Oakhaven area, and the Shelby Forest- Frayser area (AreaVibes). This is a

comparatively high crime rate that makes me hesitant about potentially living in this city, and the most common area for crime is also the area with the most businesses further adding to my worries about living in this city.

Fort Worth:

The main victim crimes prominent in Fort Worth are burglary, vehicle theft, and assault while the top neighborhoods for crime are the Southside area, the Southeast area, and the Western Hills area (AreaVibes). The crime rate is significantly lower in this city than in Memphis with the number of neighborhoods where crimes are prominent being significantly lower than Memphis as well. This causes this city to seem like the better personal choice with respect to my personal safety.

9.) Based on where you see yourself living for the first three years, how much rent do you expect to pay?

Memphis:

Based on the sample property, The Lakes at Ridgeway, that I found in this area, a 1,600 square foot apartment, shown in figures 1-5 and 1-6, that has three bedrooms, and two bathrooms would cost roughly \$880 in rent a month. I would opt for the three-bedroom apartment because I like the possibility of living with roommates as it opens the door for new potential friends while lessening my financial burden, due to us splitting the price in rent and utilities each month. This sample property includes amenities such as a clubhouse, playground, pool, fireplace, balcony, and plenty more; likewise, it also is pet friendly, has a community lake, and a maintenance team on site. This property seems like it would be a great place to live, and the price is very affordable with and without roommates, so I would not mind living here.

Fort Worth:

The sample property chosen for this city, “The Springs Apartments,” offers a 1,300 square foot apartment with three bedrooms with 2.5 bathrooms and is represented by images 1-7 and 1-8. I would once again opt to have roommates to help split the costs of living here and to still have an opportunity to potentially make new friends or live with friends that I already have. The rent listed for this property is \$1,115 a month and is significantly higher than the property in Memphis which may be the tradeoff of the area seeming much safer and appealing overall.



1-5.) Memphis Sample Property Entrance



1-6.) Memphis Sample Property Interior



1-7.) Fort Worth Sample Property Entrance



1-8.) Fort Worth Sample Property Exterior

10.) What is the typical mode of commuting? Based on your answers to the following question, what is your likely commute time?

Memphis:

The main mode of transportation in Memphis is personal vehicles, but there is a public transit and rail system that is improving annually and growing in prevalence. Although the public transit system is growing consistently, it is still far more common for the citizens of this area to own a personal vehicle for transportation, and this is the method that I would choose as well. The sample property chosen is a 30-minute drive to downtown Memphis, so I would have to accommodate for the travel time in my schedule.

Fort Worth:

The two typical modes of transportation in this city are personal cars and public transportation such as buses, but the citizens opting to own personal cars is typically more prevalent. The sample property chosen is only a 10-minute drive from the downtown area, and each major area of the city has public buses cycling through each area on a 20-minute schedule meaning that I should not have any problem with my punctuality while commuting anywhere which offers another benefit regarding this city.

11.) Where will you do your grocery shopping?

Memphis:

I plan to do my grocery shopping at the neighborhood Walmart market that is less than three blocks away from the sample property. This is a very convenient option because Walmart has nearly all of the grocery products I would need, and it is very close to the sample location that I found.

Fort Worth:

I plan to do my grocery shopping in this city at “Natural Grocer.” It is an organic grocery store less than ten minutes from the sample property that also offers delivery. This is an unexpected another benefit of this city because it offers convenient and healthy grocery options close to the sample property.

12.) How will you do your laundry?

Memphis:

Since there is no laundry facility available at the sample property chosen earlier, I would do my laundry at Laundry Depot, a local laundromat of few blocks away from the sample property. Although this presents an added hassle of me having to leave the sample property often to do laundry, I do not mind this because there are plenty of other separate benefits that this city does present.

Fort Worth:

I would plan to do my laundry at the on-site facility offered by this property, and this would be very convenient as it allows me to be more flexible with my schedule.

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

Memphis:

The organizations I would like to be a part of in this city are the Prescott Memorial Baptist Church, the Memphis food bank, and Memphis’ Toys for Tots program. I’m very glad that this city has organizations such as these they offer me the opportunity to be involved in multiple ways within the community and continue making a difference within my life.

Fort Worth:

The organizations I would like to be a part of in this city are the First Baptist Church of Fort Worth, the Tarrant Area Food Bank, and the “Don’t Forget to Feed Me” Pet Food Bank. This city has a large variety of organizations to be involved with as well, and it even has numerous organizations that deal with animals making this even more of a benefit due to my love of connecting with nature.

14.) What are the sports, entertainment, or recreational activities that you would most likely engage with in the city?

Memphis:

Of the various activities available within this city, those that I am most likely to take part in are Memphis Grizzlies games, the University of Memphis athletic events, the Beale Street music festival, the various restaurants throughout the city, and the Memphis Zoo. I'm a very big fan of sports and have always loved attending sporting events; likewise, I'm very pleased with the opportunity to continue this passion within this city by attending the numerous amounts of sporting events taking place throughout the year.

Fort Worth:

Fort Worth offers a large variety of activities to get involved with for entertainment, and it offers a large number of sporting events throughout the year as well. I am a very big fan of sports so this is very pleasing to me and I plan to attend a significant amount of sporting events if I do live in this city. Some of the events I would plan to attend are TCU athletic events, Dallas Cowboys games, and Dallas Mavericks games. I would also love to enjoy some of the restaurants downtown and even take a few trips to the Fort Worth Zoo.

15.) What are the modes of traveling back to your hometown from this city? What is the average cost you'd incur for each trip back home? How long will it take to reach your home?

Memphis:

The typical mode of traveling from Memphis back to my hometown of Columbia, MS is usually to drive. This trip, roughly four hours and 45 minutes in duration, would cost me roughly \$70-\$90 roundtrip with my current car. This city being relatively close to my hometown allows me to visit family often and still feel connected to my home even while I am continuing my life elsewhere.

Fort Worth:

There are two common modes for traveling back and forth from my hometown to Fort Worth: driving or flying. It is a roughly eight-hour drive in one direction, and the cost is roughly \$150 for gas for the entire trip. However, a plane ticket would cost nearly \$360 for the trip, and the flight would take roughly half the time of the average drive. I have made this drive before alone, and I plan to use this as my typical method of traveling home if I live in this city.

16.) Based on your findings develop a model operating budget for each city for Year 2, assuming that with bonuses for being a high performer, your annual salary is \$60 thousand.

Memphis:

Based on this new income of \$60 thousand, I would be left with nearly \$51 thousand annually after taxes, averaging to \$4,250 a month roughly. After adjusting for the national average for amounts spent on things such as groceries, utilities, entertainment, and other typical

expenses, I concluded that I would have roughly \$2,500 left each month for either saving or handling emergency expenses, provided it is appropriately budgeted.

Fort Worth:

After redoing and adjusting the previous calculations to reflect the appropriate amounts for the Fort Worth are, I concluded that living in this city would leave me with \$2,100 monthly which is similar to the amount projected for living in Memphis; consequently, I am indifferent regarding this aspect of living in both cities because of the slightly insignificant difference.

17.) Based on your full analysis, determine which one is your preferred city and the reason why.

My preferred city is Fort Worth because it is safer place overall with better quality K-12 education and similar costs of living to Memphis.

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

Signed:  .

Case Two: Assets Concepts Case

Jermaine Barnes, Alec Hudson, Erin Krumwiede, and Jack McInnis

ACCY 420

Dr. Dickinson

Summary

Erin Krumwiede

This case helped me to learn about the decision making that goes into selecting new accounting standards. The exercises that we worked on made me think about what could be affected by changing any of the GAAP regulations. Creating new journal entries in Question Three helped to further this understanding. My group and I could see how much would have to change because of the decision we made. This question helped me to further understand all of the thought that has to go into changing the accounting regulations and taught us to be thorough in our own decision making.

Jermaine Barnes

This case was very helpful in allowing me an alternate look into the thought process that goes into formulating the accounting principles that we obey. The exercises called for us to take different approaches to common accounting viewpoints and analyze how these approaches affect the various tasks we perform and how we perform them within accounting activities. After analyzing these different viewpoints, we were able to determine the numerous journal entries that would be affected. This was the most challenging part because we had to examine aspects of journal entries that never seem to change, and it required very uncommon thinking to analyze.

Jack McInnis

This case provided a small insight into a process similar to what I imagine the FASB goes through when they decide on revising and selecting new accounting standards. The case study itself asked for us to look into two different scenarios in reimagining GAAP standards, each of which had two different viewpoints to discuss. I was able to discuss each viewpoint with my group and hear differing opinions for each scenario. This case study helped build my

understanding of the kinds of decisions FASB members have to make and how they go about finalizing these decisions. Question Three also had our group discuss how accounting practices would change based on the decision we came to in the Question Two. This exercise was interesting because it made us think about how our decision in reimagining GAAP would actually affect how people practice accounting.

Alec Hudson

This case really opened my eyes to a few alternative ways that we could look and think about assets and liabilities. The two scenarios that were provided in this case really challenged our group to think outside of the box, and they required us to put ourselves in the position of the FASB to determine if these new standards were appropriate. The questions made me consider if the way we currently format and calculate assets and liabilities is the most efficient and accurate way, and having my group there to discuss and dissolve the changes that we were considering really helped expand my thoughts and opinions. Overall, this case was challenging, especially Question Three, but it required us to really think and analyze these questions in a way that we would normally not consider.

Transcript of Case Discussion

Question One Discussion:

Viewpoint One

Jack: Comparing viewpoint one to viewpoint two, I feel that viewpoint one shows a better long-term view of the firm's performance rather than the short-term view provided by viewpoint two.

Jermaine: Yeah, I agree, viewing the primary goal of financial reporting as the proper valuation of assets and liabilities provides the firm a wider overview of their potential growth.

Erin: I think the long-term view could be seen as both a pro and a con. Yes, this viewpoint provides a great insight into the amount of assets and liabilities the firm has and its potential for growth; however, this viewpoint makes it very difficult to see the current profitability of the firm because of the difficulty in valuing some assets and liabilities.

Alec: I completely agree, I'll go ahead and write it down in both pros and cons.

Alec: Continuing to look at viewpoint one, I am not seeing too many other pros for this viewpoint other than I feel this could be beneficial for a nonprofit organization.

Jack: Yeah, I can see that too, because a nonprofit organization is not looking to maximize their profits so the valuation of their assets and liabilities is a good way to look at how the organization is performing.

Jermaine: Definitely, I agree with that too.

Erin: Me too.

Erin: I think we can all agree there are definitely more cons to this viewpoint than pros. One of which relates to what I said earlier about it being hard to put a specific dollar amount on the value of some assets and liabilities.

Alec: Yeah definitely, and it especially becomes a problem when you think about firms that value assets and liabilities differently and use different methods to assess their value.

Jermaine: Yeah, this viewpoint seems to be more for internal users within the firm because it provides that long-term view based on the valuation of assets and liabilities. This would not be a very helpful way of financial reporting when it comes to an external user such as an outside investor trying to assess the current financial position of the firm.

Jack: Another con I see for this viewpoint is that many firms don't look to hold on and store a lot of their assets. Most companies are trying to take their assets and turn them over and make a profit off of them instead of storing them and growing them.

Erin: Yeah and this viewpoint seems to put service firms at a disadvantage because they don't really need a lot of assets and assessing their financial position based only off the valuation of their assets and liabilities would make them look less profitable than other firms.

Jermaine: One last con I see in this viewpoint is that it makes it harder to show your revenues over time.

Alec: Yeah, I agree with that, this viewpoint doesn't provide a good understanding into what revenues are being brought and how much the firm spends on expenses, all it would really show is an increase or decrease in assets or liabilities.

Jack: Ok so based on everything we have said so far, I think it is fair to say we all agree that viewpoint two is better a way to look at the primary goal of financial reporting.

Viewpoint Two

Jermaine: Alright now looking at viewpoint two, this one seems to be much more geared towards outside investors.

Alec: Yeah, that is exactly the implication that I was getting when it mentioned that the main focus was revenues and expenses.

Erin: I think the best part of this viewpoint is how it seems to allow for there to be a definite value for each account instead of having some as estimates because it talks about the values being updated each time there is a change in income statement account.

Jack: This viewpoint, to me, mainly seems to support a “win now” strategy because it says firms operate as asset furnaces and that seems like they are more focused on generating profit now than accumulating assets for the future.

Jermaine: I agree, that does seem to make this viewpoint seem to be one that is pretty advantageous.

Erin: This viewpoint seems to be a better viewpoint from the standpoint of the creditors and investors and that makes it seem more relevant for financial reporting, but it doesn't seem to be very beneficial for the long term.

Jack: Yeah, really the only other negative aspect that I can think of for this viewpoint is that it does not take into consideration those firms that are better off with more assets in the long run and thus look to accumulate more assets in the future instead of “burning” them.

Alec: This viewpoint also doesn't seem like it would be favorable for the firms that pay dividends often as they would be focusing on generating more revenues and thus paying more dividends as well.

Question Two Discussion:

Viewpoint One

Jack: Viewpoint one seems to give a clear and definite value of an asset at the point of transaction.

Alec: Yeah, I think that it would be good for firms with high inventory turnover, or for firms that do not hold on to inventory for very long.

Erin: I agree, but firms do not always sell or trade assets.

Jermaine: Yeah, and it does not account for assets that you keep and do not directly use. I think this would be of better use for a retail firm like Walmart or something like that.

Alec: I could definitely see a retail firm using it, but I also think that it does not focus on measuring the abstract components of the values of the assets.

Jack: It also seems to not assess the assets contribution to the firm.

Viewpoint Two

Jermaine: Moving on to viewpoint two, it seems a lot like what we already do.

Alec: Yeah, I agree. I think that value-in-use is similar to how we record prepaid expenses.

Jack: That seems like a positive factor for this viewpoint, so I'll write that down on the pros side.

Erin: Another pro could be that using value-in-use would help the assets to give value to the firm over time.

Jermaine: That's a good idea, but we might have to use estimates to assess value. The estimates could cause us to have inaccurate numbers, or firms could be using different estimation methods.

Jack: Those are both good, I'll write them down on our list. Do you guys have anything else?

Alec: I think that this viewpoint will be better at measuring the actual contribution of assets to the firm.

Erin: I agree, if you're using value in exchange you won't be able to see the assets' contribution over time as well.

Jack: Okay, I've got that down. I'm looking at the part where it says that the value generated by assets will be incremental to the assets' value-in-exchange. I don't think that the value would always be incremental.

Jermaine: Yeah, I think there could be a chance that it isn't incremental. We could put that on the cons side?

Alec: I think that'd work. Do we all think that we like this viewpoint better than viewpoint one?

Erin: Yeah, I think we should choose this one. It seems like it'd give a better view of assets.

Jack: Yeah, I agree.

Jermaine: Me too.

Question One Brief:

After discussing the pros and cons of both viewpoints, our group decided that Viewpoint one did not seem to contain many positive attributes. Our group thought that it did show a better long-term view than viewpoint two; however, we felt that the cons of this viewpoint far outweighed the pros of it. First, this viewpoint has potential for service firms to be viewed at a disadvantage because they are not focused on stockpiling assets and are instead focused on performing services for their usual, primary assets of cash or credit. This viewpoint also leaves room for discrepancies in the true financial positions of firms because of the variation in methods used to value the assets that such a high importance is placed on by this viewpoint.

Furthermore, we decided that where viewpoint one showed a good view of the future, viewpoint two was geared more towards the short term. This viewpoint is not designed to accommodate firms who hold onto assets longer or who choose to pay out dividends. Viewpoint two is more useful in giving investors the information that they need to make financial decisions. By focusing on the revenues and expenses of the firm, viewpoint two presents the company's

information in a way that is more relevant to the outside investors. Where assets and liabilities can be valued in different ways by different companies, the income information provided by viewpoint two will be more consistent. This viewpoint would show firm's that reinvest or turnover their assets in a significantly better light with regards to the financial information put out. We inevitably chose viewpoint two as the superior viewpoint because it views financial reporting as firms having the primary goal of generating revenues and profits which can be more accurate in measuring the financial position of a firm, as opposed to using the current amount of assets and liabilities as a measure of the financial position because of the variances in liquidity of these various assets and liabilities.

Question Two Brief:

As a result of our discussion of our opinions on the two viewpoints, we agreed that viewpoint one gives a more clear and distinct value of an asset at the time of the transaction. We also found that viewpoint one could be more useful for companies that have high asset turnover rates such as grocery stores and other merchandising firms. However, not all assets are always sold and traded and viewpoint two provides a better understanding of how an asset actually contributed to the firm's value. Because not all assets are exchanged for cash or other assets, viewpoint one makes it more difficult to assess how an asset contributes to the firm's overall value. Viewpoint two takes into consideration the realization that an asset's entire value is not always realized right away, and it also considers the possibility of an asset's value fluctuating and changing throughout the life of that asset. Therefore, we decided that viewpoint two is the favorable option because it is more effective at measuring and presenting an asset's true contribution to the firm's-specific value.

Our group chose the value-in-use approach given in viewpoint two. We decided that because value was given to the company as assets were used, assets that were not in use would be put into reserves. The entry to record new assets would be broken up between which assets would go into use and which would go into reserves. If an asset is going to be in use, it will go into its normal account, for example inventory would be debited into inventory as normal. If an asset is going into reserves, it will go into a reserve account. To use the example of inventory a reserved asset would be debited into the new reserved inventory account. To move assets from the reserve account to the in-use account an adjusting entry would be used. Continuing with the inventory example, this entry would debit the inventory account and credit reserved inventory for the proper amount. For property, plant, and equipment accounts the full amount of the asset would be put into reserves. These assets could also be put into reserve accounts from the in-use accounts. This entry would simply be the reverse of the adjusting entry shown above.

Journal Entries

1.) Inventory

Inventory	50,000		
Reserved Inventory	50,000		
	Cash or A/P		100,000
Inventory	25,000		
	Reserved Inventory		25,000

2.) Prepaid Expenses

Misc. Prepaid Exp in Reserve	1,000		
	Cash		1,000
Misc. Expenses	100		
	Misc. Prepaid Exp in Reserve		100

3.) Receivables

A/R			25,000
Reserved A/R (Payment fulfillment and time difficult to estimate)	5,000		
	Sales		30,000

4.) Equipment

Equipment in Reserve	50,000		
	Cash or A/P		50,000
Equipment	50,000		
	Equipment in Reserve		50,000

5.) *Land*

Land in Reserve	100,000	
	Cash or A/P	100,000
Land	100,000	
	Land in Reserve	100,000

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

Signed:

A handwritten signature in black ink, appearing to read "Lou Bush", followed by a period.

Case Three: Presidential Debate Case

Jermaine Barnes

ACCY 420

Dr. Dickinson

Summary

This case was one that was particularly challenging. The difficulties of this case did not arise from the content; however, it instead arose from the actual debate itself and the candidates' behavior during this debate. While attempting to watch the debate and gather the necessary information to respond to each of the requirements listed with a well-researched and educated answer, I found it increasingly difficult to gather much intellectual thought from the responses given by either candidate because much of the dialogue being offered was pointless yelling, rude remarks, and insults being thrown at each other. The candidates made it very difficult to gather my answers for the requirements because apart from arguing with each other or attempting to brag on their past accomplishments, they offered little information about their future plans for the country if elected. They also offered little information about how they planned to accomplish their vision for the country if elected and this caused yet another layer of difficulty to be added to the task of analyzing their responses and drawing my assessments about the various aspects of the future listed in the requirements. Furthermore, once I decided to attempt to look between the yelling and arguing and actually draw inferences off of certain comments that the candidates made and viewpoints they hold, some of which seem completely irrelevant and are actually very significant, I was able to gather a much better perspective of what each candidates' presidency could mean for our country. Having to deeply analyze the dialogue of the debate while ignoring all of the unnecessary comments was easily the most difficult part of this assignment, but it also assisted me greatly by allowing me to become more comfortable with actually attempting to gather intellectual information from a source that at first does not seem to have any.

Note:

My professor has requested that I omit the contents of this case, excluding the summary, to protect my privacy regarding this sensitive matter.

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

Signed:

A handwritten signature in black ink, appearing to read "Dan Bush". The signature is written in a cursive style with a period at the end.

Case Four: Excel Crash Course

Jermaine Barnes

ACCY 420

Dr. Dickinson

Note:

For this case, our professor asked us to complete a computer-based course that educated us on finance related spreadsheet formulas in Excel. Proof of my completion of this course is shown in the following certificate (Image 4-1).



4-1.) Excel Crash Course Certification

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

Signed: 

Case Five: Taxodus Case

Jermaine Barnes

ACCY 420

Dr. Dickinson

Summary

This assignment involved analyzing the the Tax Cuts and Job Act (TCJA), a legislative order signed into place by President Donald Trump, and its effects on the business environment in the United States. It also required us to analyze the changes in our personal feelings about our future career due to this act, and we were able to examine scenarios that commonly occurred in large amounts before the enacting of this piece of legislature. This assignment was by far the most interesting assignment thus far, in my opinion. I deeply enjoyed every aspect of it because it offered the first real glimpse into the kind of problems and scenarios that I may possibly be dealing with in my career. I thoroughly enjoyed being able to dive into the many different aspects involved in this case and reading through the articles was a very informative experience. This case truly was an experience that I am very grateful for because I was able to dive deeper into actual issues and the factors influencing those issues within the accounting and business world. Being able to access and analyze this kind of information has already exponentially grown my interests in this field and it has allowed me to gain much needed knowledge that can be used in determining which area of accounting I plan to pursue. Prior to this case I had little to no knowledge of the kind of environment that surrounds these kinds of situations, and I never had a chance to explore the kinds of decisions that are made daily in regard to these kinds of situations. Consequently, now that I have had the opportunity to research and analyze these topics, I feel much more confident about further exploring these subjects. Even though it was only a small-scale introduction into this particular subject matter, it has greatly deepened my understanding of the tax environment within the United States from my previous knowledge of it. This assignment also introduced me to multiple new concepts and theories regarding taxes and economic growth that have, in my opinion, allowed me to be a much more informed person

when making future decisions involving these topics. The most important aspect of this assignment, however, was the opportunity to analyze and draw conclusions about issues within our country without having it presented to me through a one-sided lens. Being able to research both the pros and cons of this act on my own as well as the atmosphere of the business world prior to this act enabled me to gather the information that I felt was necessary to have an educated opinion on this issue without having my opinion being predetermined by the type of information that is being presented or how it is being presented. By doing this, I was able to actually approach this assignment with an open mind and this caused me to be willing to pursue and accept many of the benefits that were caused by this legislation that a biased mind may not be willing to accept.

Case Requirements

Requirement 1: What do you think the optimal corporate tax rate should be and why? Explain your answer including information gleaned from the two links and the documentary.

I believe that the optimal corporate tax rate for our country is currently already being employed. I have arrived at this conclusion not because of the immediate results of the TCJA already being seen throughout this country, but because of one of the main ideals being presented in the article by Scott Hodge detailing the effects of the TCJA and how we arrive at those results. The most important thing stated in this article is not the numerous facts and theories presented regarding this act, but it is instead him stating that the ultimate effects of this law will not be seen right away and that it takes time and patience to see the end results caused by it. He states within the very first section of the article that, “economic growth, spurred by tax reform, takes years to occur,” and this seems like a relatively minor statement in the entirety of the article. However, this simple statement alone is the basis for my opinion on the corporate tax rate and the key to understanding the complexity behind a cause-and-effect relationship such as this (Hodge). Since the TCJA is relatively recent in its implementation, I believe that it should be afforded the necessary time to see the ultimate results of it. Therefore, we should not rush to attempt to change this legislation because it has not been given the proper amount of time to actually display its full effectiveness. It is never ideal to attempt to change something that has not shown a pressing need to be changed, and thus far the TCJA has not shown a pressing need for this. In fact, there have been numerous signs that point to this piece of legislation actually improving the state of the economy, which further strengthens the argument in favor of keeping this new mandate in effect.

One of the most glaring signs that this act is improving the overall state of the economy is the profound effects it has had on the availability of jobs throughout this country. As the U.S. Department of the Treasury states, “In November 2018, the Unemployment Rate reached a 50-year low of 3.7%” and this shows tremendous growth in the job market potentially caused by the TCJA that arises from an ideal explained by Hodge. In his article Hodge states, “lowering the corporate income tax incentivizes new investment as previously unprofitable projects are now worthwhile, leading to an increase of the capital stock...More capital for workers boosts productivity, and productivity is a large determinant of wages and other forms of compensation” (Hodge). These statements lay out, in my opinion, the exact situation that is currently taking place within our country due to the TCJA because once this act lowered the corporate tax rate this provided the gateway needed for organizations to begin reinvesting the profits they generate into their operations within the United States. Once these organizations begin doing this, the job availability grows because the companies are willing to invest more in their labor force due to the increased amount of capital provided by their lower tax rates. This is one of the key ingredients for a strong economy because the heart and soul of an economy are the people that drive that economy, so bettering the chances for those citizens to earn better wages for their labor creates a cycle of improvement in the economy from their newfound amount of income. This effect can be seen in the availability of jobs as well as the overall level of wages because as the demand for labor rises, organizations are willing to spend more to acquire that labor.

Although there are many other positive effects already being seen that could potentially be linked to this act, such as the increase in business optimism, the record low levels of unemployment, and the steady increase in the assortment of jobs available throughout the country, the most important is the number of jobs being created. According to the Department of

Treasury, under this act the United States saw a job opening available for every unemployed citizen since the amount of openings began being tracked in 2000, and this demonstrates once again that there are already positive effects being shown and they may continue to improve the economy due to the tax cuts and increased amount of capital caused by the lower tax rates. This is the most important potential effect of this act because the top priority that drives an economy is its workforce; therefore, improvements towards this aspect usually show the greatest impact on the strength of the economy. Even though this act calls for a lesser taxation, the effects of this reduced taxation are felt by the average worker as well as corporate stakeholders, as the average worker is now able to draw in more financial resources as compensation for their labor due to the want for their labor increasing tremendously. This is because companies are able to use the additional funds provided by a lesser taxation to invest in more resources such as a larger labor force to complete a higher level of output or a larger selection of equipment to produce a higher level of output and, consequently, more employees to coincide with the increase in equipment and machinery. The texts and documentary both highlight that although all of the positive effects and negative effects of this act are yet to be seen, it still deserves adequate time to see all of the results caused by it and to see the exact degree to which those results will be felt by everyone throughout the country. Therefore, the optimal corporate tax rate for this country is the rate that we currently have employed because it has already shown the possibility to be a very beneficial act for our country and there still has not been enough time to allow the economy to reach its peak potential under this act.

Requirement 2: Did this case increase or decrease your interest in pursuing a career in the tax service line of public accounting? Explain your position.

This case actually decreased my interest in pursuing a career in the tax service line of public accounting. Although I really enjoyed the various activities that were involved in the completion of this assignment, such as watching the documentary, exploring other sources to get an accurate understanding of the TCJA, and further researching how tax provisions and mandates apply to the corporate business world to have an in depth understanding of the assignment, I was able to also realize that I do not enjoy the atmosphere and environment that coincides with this line of public accounting. The rules that govern this particular line of public accounting are largely dependent on governing bodies and officials that seem to be constantly changing and this can cause many other obstacles towards effectively doing your job within this line of service. Each new president or some other form of government official poses the potential for a major shift in the regulations and codes that are adhered to within this service line, and I am not completely thrilled about the potential lack of consistency that can be caused by this. America is a democratic nation, which essentially guarantees that every year brings some form of an election going on within our country and each one of these elections has the chance of drastically changing the way that this specific line of service must operate, as well as changing the financial positioning and future trajectory and operations of the clients being assisted. The constant possibility of a drastic change coming at any moment all in a short amount of time due to a recent election result leaning the majority towards a certain political party is not the ideal environment for me. However, it does provide a certain degree of excitement because it is more difficult to become stagnant in a line of service that does not easily become stagnant itself. The ability to dive deep into complex issues within an organization, and the opportunity to, in turn,

solve these issues using innovative and creative solutions while still adhering to the necessary laws and ethical codes is a major component of this line of work and this actually could be very exciting to pursue although it currently seems to be a line of service that does not match the best with what I ideally would like to experience during my career. Therefore, this assignment did not cause me to be completely opposed to entering the tax service line of public accounting, but it did, however, cause me to further lean away from this line of work because I do not believe that the rapidly shifting laws affecting this line of service are my ideal environment.

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

Signed:  .

Case Six: Mentor Interview

Jermaine Barnes

ACCY 420

Dr. Dickinson

Case Summary

This case required us to conduct an interview with someone who is well established in their career or the business world and then write a biographical style piece about them based on their answers to the interview questions. I chose to interview Mrs. Shakina Walker, a mental health counselor that is my aunt and has been my mentor for years, as she is the most successful and influential person in my personal life currently. Mrs. Walker is a family member of mine and has been assisting me in any way that I have needed for the majority of a decade now, and I have been overtly grateful for all the help she has provided me. There were not many challenges with this case besides finding a time to conduct the interview during such a busy time for both of us. The interview went by smoothly as Mrs. Walker gave very thorough and detailed answers to all of my questions ensuring that there was plenty of substance to write about within her responses. The easiest part of this case was understanding Mrs. Walker based off of her responses because I have known her for many years, and over those years she and I have developed a very strong respect for each other along with building a much better understanding of each other. This case taught me that even though Mrs. Walker has already shared a tremendous amount of her wisdom with me, there is still a very large amount that I have left to learn from her. The answers she gave to the interview questions showed just how much knowledge she has amassed over her life and they offered a glimpse into the kind of wisdom that is available to me if I continue to take in all that she is willing to offer. This case also offered me a chance to learn and understand all of the small things that each play apart into making Mrs. Walker the person that she currently is, and it offered me the opportunity to see firsthand how someone that has established themselves in their career behaves during the course of an interview.

Interview

1. Tell me about your life growing up before you started college or your career, what was that like?

While reminiscing about her childhood, Mrs. Walker mentions that she grew up in a rural area and this taught her at a very young age the importance of appreciating the small joys that life blesses us with. She reveals that she grew up in a very small town called Kokomo, just outside of my hometown of Columbia and she also mentions that her childhood came with many blessings as well as hardships. She states, “I have, for the most part, amazing memories from my childhood; however, there are certain memories that still weigh heavily on me, and these memories typically stemmed from the environment I was surrounded by due to the culture of the Southern small towns during the time I grew up as well as us being a family that would be considered impoverished. Despite this, however, I can confidently say that I had an amazing childhood, and I am very thankful for the many lessons I learned during it”. This statement alone truly gives a glimpse into the early years of someone who has found ways to overcome many adversaries and still remained a champion of their own life by continuously persevering and achieving the goals they have set for themselves despite the odds. Mrs. Walker also mentions the importance of her family acting as a support system for her during her early life, as she states that she grew up around many of her cousins and they have remained a very close group since their early years.

2. What were your college years like?

Mrs. Walker states that she transferred to a different college her senior year and that this made her experience even more interesting as she uprooted herself to a completely different state

to finish out her degree. She also states that she recently went back to school to receive her master's degree after fourteen years and that this experience was extremely different than her original one. She states that she originally attended Southern University in Louisiana and that these years were the best experience she has ever had due to her learning many lessons in regard to being a professional as well as being an African- American woman in America. She explains that during this time she was able to really get in touch with herself and explore who she truly wanted to be while also building a strong foundation for herself. She then goes on to state that she ultimately decided to transfer during her senior year to be closer to family, and this is a sentiment echoed throughout much of the interview as it is clear the importance that she places on family. Lastly, she explains that it was a much different experience going back to receive a higher degree because she was exposed to the culture of people more than a decade younger than her and she had previously felt somewhat out of touch with this generation.

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

Mrs. Walker answers this by explaining that although many of her peers that she began college with decided to switch their career path, she never wavered in her pursuit. She states, "Going all the way back to my childhood, I always knew I wanted to directly help people in whatever way I was best at and this did not change once I reached college. I did, however, decide that I would rather be a counselor than a psychologist because I did not believe that I wanted to take on all of the workload that a psychologist receives while still trying to devote enough of my time to starting and growing my own family". This once again shows Mrs. Walker's commitment to family along with her passion for being the best person she can be while also helping others reach the best version of themselves. She states that although she did not want to

be a psychologist, she still wanted to directly help those in need and this led to her pursuing a career as a counselor instead, a decision that she notes she has absolutely no regrets about.

4. Walk me through your first jobs until where you are now. What important things did you learn at each position along the way?

Mrs. Walker states that she obtained her first job during her senior year of college and she worked as a customer service representative. She explains that this job not only taught her many lessons in relation to patience and professionalism, but also allowed her to expand her skills in regard to dealing with communication barriers and emotional flare ups because of how chaotic that environment can get. She then states, “Once I graduated, I began working a few years as a case manager and then I moved on and began working as a psychosocial counselor. During both of these jobs, my love for what I did grew tremendously, and I began to feel even more confident that I had made the right choice with my life. After spending a few years doing that I have now been working as a mental health counselor and the skills I learned at those previous jobs directly translate to my current career”. Mrs. Walker expresses that in her current career she has been able to draw direct links to skills learned in her previous jobs, such as the ability to deal with others while they are at a very high or low point in their life and the ability to “understand that each person has their own perspective in life and therefore must be assisted in their own unique fashion,” and she states that she is, “especially thankful to have had these opportunities” to develop her skills needed for her current career.

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

Mrs. Walker states, “As I previously mentioned I recently went back to school to pursue another degree so much of my free time has been devoted to that. However, my husband and I have been spending the free time that we do have doing things such as volunteering at the church

or spending time with our daughter to make sure that she has the same kind of support system that we both enjoyed while growing up”. This is yet another example of Mrs. Walker displaying her passion for maintaining a positive relationship with family. She also explains that she feels like that she has an extended family at her church because of the strong support and love that they all show to each other. Mrs. Walker has placed a very significant importance on family and the connections that form between those within a family and she demonstrates this in many areas of her life. This is evident as she even decides to spend the small amount of free time that she has being very involved with her actual family as well as the people she has begun to associate as family because of their connection through church.

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

Mrs. Walker explains that her favorite vacation may surprise even herself because she has been to many amazing places, such as Denmark, The Bahamas, and even Paris. However, as she reveals, “My favorite vacation was actually a trip I took with my husband a few years ago to Las Vegas. We visited a conservation area called Red Rock Canyon for a hike and we found this nice hidden area that we decided to rest at. This vacation immediately became my favorite because of this spot we found. While I was relaxing there, I felt completely at peace with myself and that was the first time in my life I believe I have felt true tranquility, outside of my time spent praying”. She even states that she often times attempts to place herself back in that exact moment whenever she feels overwhelmed or frustrated with the way things are going in life for her. She explains that she holds this vacation so highly because it offered her the same kind of peace that she feels when she is enjoying some of her happiest pleasures in life and she believes that feeling is priceless. This being her favorite vacation trip even though she has been to so many intriguing

places is once again just another clue into what really matters to Mrs. Walker: the unnoticed things that wealth doesn't inherently bring with it.

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

Mrs. Walker explains, "I don't typically focus on things in the past that I would like to change because I know that I ultimately cannot, and I also know that focusing on this too much can lead to a very different experience in life than I would prefer. If I had to choose two things to change, however, I would first change how much I moved around during the beginning years of my career. I moved multiple times during college and even in the years after, and this caused me to never actually have a chance to settle down and spread my roots in a particular place early on". She states that she moved a lot early on because she was torn between being close to her family and also branching out on her own. She also explains that the second thing she would change is her amount of wisdom while starting her career because she feels that being slightly wiser may have prevented her first answer to this question from ever occurring. She further explains that she understands there are plenty of things about her life that others may want to change if they were in her position; however, she recognizes that each of these things all contribute to where she is currently at in her life and she is very pleased with her current position. With this answer, Mrs. Walker demonstrates that not only is she a person who has strong values in life, but she is also a person who has already amassed a collection of wisdom that is impressive in every regard.

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

Mrs. Walker claims, "The one thing that I wish I had known when I was 21 is the true value of having a mentor in your life. Once I reached the professional world, I quickly found out

all of the advantages that come with having a mentor in the field you plan to pursue, such as having expert advice on different ways to reach the place in life you would like to be and having a second opinion on problems you are facing from someone that may have been in those same situations. There were often times in my career that I faced some very difficult struggles and ultimately overcame them, but seeing my peers overcome these same struggles much easier because of help from more experienced people in the field revealed to me the true importance of a mentor”. She also states that her advice to me and my classmates would be to seek out a mentor within our field to help with the transition from school to the professional world and to also begin building connections within our field early on. This is something that she believes is one of the most important ingredients to having a prosperous career in any field, and this really resonates for me because Mrs. Walker has been a mentor to me for many years although she is not in the exact field that I am pursuing. She has truly provided a tremendous amount of assistance to me and it has absolutely been very beneficial to me as I attempt to navigate through my life and ultimately reach my desired position in life.

9. What are you most proud of?

Mrs. Walker answers, “I do not know if I would use the word proud for this, but for the sake of the question I am most proud of my relationship with God. My relationship with God is the single most important thing in my life and I always make sure to maintain my relationship with him above all other things. I believe grateful would be the word I would use instead, but I also agree that it is the thing I am proudest of as well”. Mrs. Walker has made multiple references to her relationship with God, and this is yet another one as she once again shows the importance of a strong spiritual relationship to her. She explains that she is the proudest of this because at any point during her life that she has felt hopeless or alone, she has always been able

to rely on her relationship with God to get her through it. Furthermore, she even explains that it is almost unfathomable to her that others are strong enough to get through the battles of life without a relationship such as this, and she reiterates that without this relationship she would not be where she is today.

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

Mrs. Walker explains that she believes the biggest challenge for her generation is the significance of financial debt within their lives and their overall level of financial competency. She states, “I have plenty of friends that I have met throughout life who complain about having to pay off their hundreds of thousands of dollars in debt from student loans among other things, and they only have a bachelor’s degree or never even actually graduated college”. She then goes on to explain that she feels that a large part of her generation was not adequately taught to be financially competent and that this is a problem she has seen passed down to other generations after hers as well. She explains that having this lack of knowledge in this particular area can be crippling for someone’s life progression and that she has unfortunately seen many of her peers and other succumb to debt from mismanaging their funds or taking on credit purchases that they could not truly finance, and she claims that she feels very lucky that her and her husband have successfully managed to escape the confines of this “trap,” as she describes it. Mrs. Walker also echoed to me the importance of staying financially secure in such an uncertain world as we live in today, once again showing her glaring care for others even in simple conversations.

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

Mrs. Walker explains that she believes the biggest challenge for my generation will be having patience with ourselves as well as other generations. She states, “The biggest challenge that you all will face will be having the patience necessary to facilitate productive dialogue

between each other and other generations. I have noticed that there is a bit of a communication barrier between your generation and others and overcoming that barrier is the most prominent challenge that you all currently face. However, I do recognize that this challenge is faced by my generation as well because the barrier exists on both sides". I find this to be very intriguing because I see it ring true often times throughout the day while interacting with others and on social media. There are numerous occurrences of the opportunity for productive dialogue existing and simply not happening because of the lack of patience or understanding of how the other side is choosing to communicate as well as what they are communicating. Mrs. Walker really keys in on a very prominent issue that will be present in the coming years.

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

Signed:  .

Comprehensive Case Study: The Boeing Company – Week One

Jermaine Barnes, Anne Elise Pillow, Garland Carmichael, Megan Keel, and Jack

Myers

ACCY 420

Dr. Dickinson

Summary of Case Progress – Week One (Overview Phase)

For this week of the case, we examined numerous articles, reports, and market trends to effectively determine the state of the business that our group chose: The Boeing Company. Upon further examination we were able to find that this company has suffered significant losses within the past year for multiple reasons. We discovered that Boeing is currently in a downward trend in its earnings per share, stock price, and total earnings. These downward trends stem from two major challenges that the company has faced in the previous year: the pandemic and two fatal crashes of one of its most prominent aircrafts. Even though these challenges have resulted in tremendous negative effects on the company, there are still some areas that show the possibility of continued improvement to possibly reverse the effects seen as a result of the crashes and pandemic.

Commercial airplanes; Global Services; Defense, Space, and Security (BDS); and Boeing Capital are Boeing's four main business sectors. The majority of Boeing's total revenue comes from the commercial airplane industry. Its commercial airplane business is responsible for around 60 percent of Boeing's total revenue, making it one of the two largest commercial airplane businesses in the world. The US Department of Defense is Boeing's largest customer in the BDS business, resulting in defense budget allocation and defense spending cuts or increases playing a significant role in Boeing's earnings. Boeing is expected to have a decrease in commercial and military aircraft revenue at an annual rate of 13.8 percent, equaling around \$38.1 billion, from 2016 to 2020 as a result of previous cuts in US defense spending, the two plane crashes, and the pandemic.

Upon reviewing the annual 10-K report from 2019, it is apparent that the crashes of two commercial 737 MAX flights had a significant adverse effect on the revenues, earnings per

share, and operating cash flows of the year. The government suspended the 737 MAX aircraft production causing uncertainty. However, Boeing plans on returning it into its operations soon considering the commercial airplane business provides the largest amount of revenue. There was a decrease in revenues of \$24.568 billion compared to 2018, a loss on earnings from operations of \$1.975 billion, and a net loss from continuing operations of \$636 million. In the Managers' Discussion and Analysis, all of these losses are credited to the negative impact of the grounding of the 737 MAX aircraft model.

The Boeing Company currently makes up 22.5 percent of the market share, which is the largest percentage of any individual company in the market. Although Boeing has had the largest market share percentage for the last five years, its percentage of the market has steadily decreased from 2016 to 2019 with a 0.4 percent increase within the past year. This is a direct effect of Boeing's performance within the stock market substantially decreasing as well as the overall revenues of the company as a direct result of the two crashes and the current pandemic creating challenges for all companies. Just over the last year the average stock price has fallen more than 39 percent, and it has also fallen over 10 percent in the last month. The company also has a current beta of 1.79, showing that it is currently considered riskier than the average stock, and has an expected dividend of \$2.06 per share. These are all trends that seem to go along with the timeline of the current pandemic the world is facing as well as the timeline of the two significant commercial aircraft crashes that they experienced. The revenues for its two most recent quarters display the same trend as they reported a net loss of \$8.439 billion and a \$14.65 loss per share in the most recent period as well as a net loss of \$1.01 billion and a \$15.25 loss per share in the period prior to that one, according to James Li in his article detailing the recent performance of the company. However, despite the struggles that it has recently faced, Boeing

still maintains the second-largest market cap of any of its competitors at roughly \$114 billion in value. Boeing has also seen its stocks show an increase of more than 30 percent in their value over the last three months, further demonstrating a potential reversal of the downward trend they are currently in.

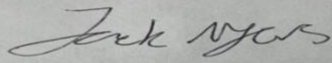
Boeing is grateful for its challenging 2020 fiscal year to be behind them as its CEO recently said, “I’m sure glad 2020 is in the rearview mirror” (Josephis). As for the future, analysts and company executives alike are uncertain of what the future has in store. One figure stated that the company would not see the levels they had in 2018 (before its recent troubles started) until 2025 at the earliest. There is some optimism that the company will begin on the road to recovery in 2021. Recently, the 737 Max has been ungrounded by four of the five major aviation companies, finally allowing Boeing to start selling again, contributing to its deliveries doubling in Q4 from Q3 of 2020. This is one of the few areas deserving optimism that Boeing can might realize in its future; the company is relying heavily on this source of revenue to turn its recent troubles around. Company executives also hope to see the Covid-19 vaccine positively impact the number of customers they expect to obtain in the future. Finally, although revenue has been steadily decreasing for seven consecutive quarters, it has been at a much slower pace in the most recent months.

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

Signed:



Anne Elise Pillow



Comprehensive Case Study: The Boeing Company – Week Two

Jermaine Barnes, Anne Elise Pillow, Garland Carmichael, Megan Keel, and Jack

Myers

ACCY 420

Dr. Dickinson

Summary of Case Progress – Week Two (Audit Phase)

For this assignment, we analyzed the financial statements of The Boeing Company to assess any potential risks that may be associated with the values and accounts listed. We conducted an analysis of each account presented on the balance sheet and income statement to determine if there were risks associated with the valuation, completeness, existence, and presentation of each. We then discussed why these potential risks exist and how they could potentially be mitigated internally by the company. The next step in our analysis was discussing potential tests that could be conducted by us, as auditors, to ensure that these risks have actually been mitigated by the company to the best of its ability.

The various risks associated with each account arise from different potential problems. The risks of valuation misstatements arise from the company potentially over or undervaluing an account due to a lack of clear-cut numbers and having to make judgement calls. Completeness risks are associated with the company not disclosing all relevant information to its stockholders and the federal government. Existence risks arise from information being included in an account that does not actually exist. Presentation risks are associated with the company presenting certain information or accounts in a manner that does not coincide with the amount of relevance and importance that should be attributed to it. We found multiple instances within the financial statements examined that presented a combination of each of these risks. Once these risks were identified, we were able to actively discuss different methods that we could employ to ensure that these risks were not prevalent and to ensure that the company was effectively managing and controlling these risks with the resources available.

Our discussion then moved towards brainstorming ways that we could use data analytics to make the execution of these tests more efficient and accurate. We were able to develop

numerous ideas about potential ways in which we could utilize data analytics for the assistance of these tests, and we realized that a large portion of these ideas were applicable to eliminating multiple risks associated with each account listed. For example, a database that is able to actively track customer orders and log each transaction can be linked to a database that tracks each shipping order from warehouses to eliminate risks associated with existence, completion, and valuation in multiple accounts. Utilizing this kind of database can make analyzing the presented information much more time efficient for us and leads to a more effective audit process. This kind of technology can also be used as an internal control for the company as they can actively update and monitor their various expenses, revenues, and inventory levels to ensure that there are no abnormalities. This allows for data analytics technology to be a major assistance in this process for the auditor as well as the internal control functions within the company. By allowing for faster and more accessible information to be presented, the utilization of data analytics helps shorten many lengthy and redundant processes that may be performed and causes the risks present within these accounts to be much less of a worry due to increased information reliability. This case was instrumental in highlighting many of the potential factors that have an effect on the final presentation of these financial statements. It allowed us to not only analyze the actual values presented in the statements, but also the methods used to reach these values and the reliability and risks associated with these methods. The case also allowed for us to experience firsthand the type of reasoning that is utilized by an auditor in examining the various values and notes listed on a company's financial statements and other records.

Results of Case Work

Riskiest Accounts Identified:

1. Inventory

- The internal controls that relate to the inventory account include performing random inventory checks, utilizing automatic inventory database designed to track amounts and values, and performing multiple consignment checks.
- The auditor may test this account for accuracy by performing inventory counts, analyzing purchase orders, and examining sales orders while also examining the accompanying documentation of each of these.
- Data analytics can assist the auditor's testing within this account through the utilization of graphical representations comparing current inventory purchases to historical trends with the goal of observing irregularities with greater ease and efficiency, and it can also assist by a product tracking system, designed to account for inventory items and valuation, being used in conjunction with the auditor's tests.

2. Long-Term Debt

- The internal controls that relate to the long-term debt account are the employment of an appropriate segregation of duties and routine market tests to ensure appropriate rates are used in valuation and documentation.
- The auditor may test this account for accuracy by analyzing previous interest payments as well as examining the relevant documentation related to this debt.
- Data analytics can assist the auditor's testing within this account through the use of a tracking database to periodically update the present value amounts and market rates related to the long-term debt accounts.

3. *Accounts Receivable (Global Services)*

- The internal controls related to this account involve keeping up-to-date knowledge of the relevant exchange rates, conducting consistent debriefings, and performing adequate analyzations of the bad debt expense (BDE) related to these accounts.
- The auditor may test these accounts for accuracy by checking the associated invoices for correct billing amounts, checking for adequate and consistent contact with the customers, and ensuring the company consistently utilizes the appropriate collection methods.
- Data analytics can assist the auditor's tests within this account by providing a visual representation of unpaid historical debts and historical exchange rates to effectively forecast and evaluate the values within this account.

4. *Accrued Pension Plan Liability*

- The internal controls related to this account involve the company ensuring that there is an appropriate segregation of duties and supervision and ensuring there are adequate checks and balances between office hierarchy to maintain consistency and accuracy within this account.
- The auditor mainly may test this account for accuracy by randomly checking employee payroll for existence and accuracy.
- Data analytics can assist an auditor's tests within this account through the assistance of a database that links each employee identification number to their respective number of hours worked, pay rate, and their social security number.

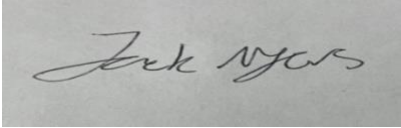
5. Research and Development Expense

- The internal controls related to this account involve an appropriate segregation of duties, the performance of random progress checks, and the employment of appropriate verification policies.
- The auditor may test this account for accuracy by performing random progress checks regarding the associated research and develop project, and they can test this account by performing an adequate analysis of research and design expenditures.
- Data analytics can assist an auditor's testing within this account by providing a graphical breakdown of each research and development project while also providing an analysis of the historical success rates of similar projects.

6. General and Administrative Expense

- The internal controls related to this account involve the company ensuring there is an appropriate segregation of duties and verification policies in place relating to transactions within this account.
- The auditor may test this account for accuracy by analyzing the documentation relating to transactions within this account to make sure there are no irregularities and ensuring there is compliance with the stated depreciation method.
- Data analytics can assist an auditor's testing within this account the utilization of a database that performs a reconciliation of transactions listed within the account.

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

Signed: *Jon Bush* *Anne Elise Pillow* *Megan Keel*
Garrett White 

Comprehensive Case Study: The Boeing Company – Week Three

Jermaine Barnes, Anne Elise Pillow, Megan Keel, and Garland Carmichael

ACCY 420

Dr. Dickinson

Summary of Case Progress – Week Three (Tax Phase)

For this assignment, our group was tasked with researching various tax credits specific to The Boeing Company's industry as well as researching multiple tax provisions that may be changing soon. The goal of this research was to assist us in formulating certain strategic actions that we recommend the company choose to better take advantage of the credits and provisions we researched. We also examined and analyzed the numerous ways this company is already taking advantage of certain credits and provisions to gather an adequate understanding of the relevant tax environment to be used in our discussions. Due to the lack of transparency and detail provided in regard to the foreign revenues and tax information, the most challenging part of this case was looking through Boeing's financial statements to try to decipher how the company is presently taking advantage of these tax benefits. This made it difficult to decide whether our suggestions were truly feasible and would create a better situation than Boeing's current strategies. Furthermore, it was also somewhat difficult for us to find areas where this company could receive a higher tax benefit because they have suffered tremendous losses in previous years that have already led to their receipt of large tax benefits. Likewise, the CARES Act also proved to be advantageous because it allowed Boeing to carry back its net operating losses to previous years with a significantly higher corporate tax rate, granting them more benefits (ITEP.org).





During our research, it became very clear that this company has already placed significant amounts of effort into tax strategies that allow them to take advantage of the numerous credits and provisions available to them (ITEP.org). This forced us to increase our level of research and analyzation concerning our own recommendations to avoid suggesting strategies Boeing is presently utilizing. However, the Biden administration's proposed tax

changes assisted us in offering different strategies from the company's current ones because of the numerous adjustments in tax rates and other provisions he has proposed. Analyzing how the company is currently taking advantage of certain provisions and credits while also researching the proposed changes under the Biden Administration allowed us to brainstorm multiple strategies for this company to continue receiving their current benefits even within a new tax environment. We were able to then analyze our new strategies under the proposed tax rates to quantify the savings that would result from them, as well as quantify the potential losses that may occur as a result. Our proposed strategies allow the company to take advantage of numerous tax provisions from single actions as well as allowing them to avoid higher tax rates under the new administration.

This assignment also involved us examining the nearly 150 countries that this company operates in to compare the company's revenues from the non-U.S. countries and the tax rates of those countries. Although this step was very tedious, it allowed us to finally start developing ideas of how the company was taking advantage of these countries' tax rates as well as other benefits. Once we understood how Boeing was behaving in foreign countries to take leverage their tax laws, we then were able to create our plan based on how its current strategies would be affected by the changing tax laws. Our strategies included a potential relocation of its headquarters, less investment in foreign operations in exchange for domestic research and development, and less investment in foreign intangibles. All of these strategies are suggested with the hopes of taking advantage of multiple tax provisions that will play a key role in receiving tax benefits under the new administration. Our strategies mainly focused on allowing the company to further increase its investments and operations domestically without having to sacrifice savings or profits as a result. As we researched more, this task allowed us to gather an

understanding of how in-depth and demanding the corporate tax world can become as we attempted to find more provisions and credits that affected our strategies. This assignment showed us that each decision that we suggest in our strategies affects multiple areas of the company simultaneously and also affects the ability of the company to take other actions to aimed at further leveraging their continuously changing corporate tax environment.

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

Signed:  
 

Comprehensive Case Study: The Boeing Company – Week Four

Jermaine Barnes, Anne Elise Pillow, Megan Keel, and Garland Carmichael

ACCY 420

Dr. Dickinson

Summary of Case Progress – Week Four (Advisory Phase)

For this week's assignment, we were tasked with assessing the success of our company's operations while also evaluating the various potential threats to those operations; furthermore, this was done to assist us in implementing effective strategies for the mitigation of those relevant threats. The focus of this week's assignment was to formulate advisory strategies unique to the company to help them overcome weaknesses and improve the overall success of the company's operations. After multiple recent manufacturing issues, our main strategic focuses were to increase investments into research and development as well as marketing the improvements Boeing has made thus far, which would help improve the reputation of the company in the public eye.

We first looked at Boeing's mission statement and strategies to get an idea of what their operational goals are. We then ran analyses over their past five years of operations, looking at items such as revenues, operating income, expenses, profit margins, and many other factors. After studying these factors, we then identified what some of Boeing's biggest threats are to the company's success, as well as a plan to address these threats and strengthen weaknesses within the company. We also had to make sure the strategies we thought of aligned with the overall mission statement and strategies of the company.

The most challenging part of this assignment was forming strategies that we could quantitatively define and assess. Many of the threats that we recognized for Boeing were threats that are somewhat abstract, such as public opinion or recent incidents within the company, and this created the additional challenge of finding ways to implement strategies to eliminate these threats while also being able to observe the strategies' financial effects within the company. We were able to identify that their main threats were the recent aircraft manufacturing issues they





have had and consumers' lack of knowledge on the wide range of products Boeing offers beginning to create a constraining effect on their customer base (Associated Press).

We decided to address the first major threat of the recent aircraft issues by implementing a plan to increase spending within the research and development department aimed at addressing the recently developed safety issues of the company's passenger aircrafts. Boeing's recent financial reports show a correlation between the amount spent on research and development expenditures and their annual revenues, and this was the main basis for our implementation of this plan. In each of the past five years that their financial statements show at least \$3 billion of research and development costs, they also show at least \$75 billion in annual revenues (Macrotrend). This trend is further displayed by the one year that Boeing spent under three billion dollars on research and development also being the one year with their lowest revenues during that span. Our implementation plan details that Boeing should increase their spending within this department and set at least a three-billion-dollar budget in future years to display this same increase in revenues shown by the correlation in previous years.

The second threat of the lack of consumer knowledge regarding the range of Boeing's products proved to be a more difficult threat to overcome and assess financially. However, we decided to implement a marketing plan that would be directly aimed at combating this problem as well as helping improve the public opinion about Boeing in order to coincide with the first plan we recommended. This plan involves purchasing a separate television advertisement slot in the first two games of the NBA finals because the price for these advertisements is currently one of the more affordable options of the professional sports leagues, and it has an expanding fanbase that could be reached by these commercials (Guttman). The advertisements would highlight the depth of the advanced research that Boeing is doing within multiple fields as well as their

research towards the quality and safety of all of these products. After implementing both of these strategies we were able to show the effects of their implementation by forecasting various financial figures such as the potential revenues, expenses, and return rates caused by these plans to determine the success of our recommendations. The results displayed favorable results for Boeing, and also displayed the potential for nonfinancial factors, such as public opinion and quality of work being improved within the company.

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

Signed:  
 

Comprehensive Case Study: The Boeing Company – Week Five

Jermaine Barnes, Anne Elise Pillow, Megan Keel, and Garland Carmichael

ACCY 420

Dr. Dickinson

Summary of Case Progress – Week Five (Earnings, Stock Price, and Analysis Phase)

For this week's assignment, our group was tasked with assessing how our proposed advisory and tax strategies would affect the stock value of Boeing. We did this by first determining the price of common stock for this company and various other ratios affected by the financial state and value of the company. Upon analysis of these ratios and stock prices, we observed that the company was recently in the midst of a downward trend with regards to its stock value and returns generated by those stocks; however, current analyses of the company project tremendous growth following this downward trend. The analyses of the company also revealed that Boeing's beta is currently 1.63, showing a higher-than-average volatility in price changes of its stock concerning the market. This explains why Boeing is projected to have tremendous growth in the coming years as its stock prices have the potential for significant increases coinciding with the recovery of world economies during the post-pandemic world. This projection of growth was even further enforced as the "buy or sell" recommendation for the company's stock is currently a "buy/hold" rating, indicating that the company's stock is expected to be a profitable investment in the coming years, according to Yahoo!Finance.

We then assessed the effects of our strategic recommendations on various ratios and the stock price by analyzing how the strategies affect the number of common stock shares outstanding as well as the net income. In doing so, we were able to observe significant improvements in the value of the company's common stock and earnings per share of that common stock compared to their current and recent historical values. We finally were able to validate our proposed strategies based on the projected changes in these values associated with the expected growth of the company as well as the strategies brought forth by our group.

The most challenging part of this week's assignment involved having to use projected and hypothetical values rather than current, actual values for specific portions of our calculations. We used the projected numbers because the company presently has negative values due to the downward trend caused by recent events. It was difficult for our group to grasp that although the company's current state seems to provide significant cause for worry, this is not the case. In fact, many other factors affect the values of these numbers, and those factors are projected to change in favor of the company in the near future.

One of the most interesting discoveries of this assignment for us was the effect that Boeing's market presence has on others within the same market. Despite external factors creating potential risks for the incurrence of further losses, Boeing still maintains a very reputable share of the market, and their stocks are still valued relatively high in comparison to others. This demonstrates the degree to which Boeing's presence in the market and reputation has impacted consumers' beliefs about the company; Boeing's reputable share of the market is one of the main factors influencing both of our advisory strategies for the company, as they are both aimed at further influencing the company's public opinion and indirectly influencing the value of the company. Both of our advisory strategies, if implemented, display a stock price increase of well over 50 percent of the current price; however, our proposals do involve the company increasing their amounts of shares of common stock outstanding, which represent a potential increase in the company's cost of capital. Furthermore, this increase in the cost of capital for Boeing is combated by increased earnings per share for the shareholders of the company. Both propositions result in favorable situations for the company and provide shareholders with increased confidence in their investments that have historically translated to a lower required return for shareholders over time. After determining the potential increase of the company's

projected return on assets under our strategies, our proposals showed a favorable change for the company, further validating the expected growth of the company as well as the potential success after the implementation of our suggested strategies. Figure 11-1 details the projections of the financial figures relevant to our strategies that affect the company's return on assets and stock price.

11-1: Analysis of the Proposed Advisory Strategies

Historical Data (In Millions)	2020	2019	2018	2017	2016
Revenue:	\$58,158	\$76,559	\$101,127	\$94,005	\$93,496
COGS:	\$63,800	\$72,031	\$81,421	\$76,542	\$78,967
SG&A Expense:	\$4,817	\$3,909	\$4,567	\$4,095	\$3,613
Operating Income:	(\$12,767)	(\$1,975)	\$11,987	\$10,344	\$6,527
Assets:	\$152,136	\$133,625	\$117,359	\$112,362	\$89,997
Liabilities:	\$170,211	\$141,925	\$116,949	\$110,649	\$89,120
Return On Assets:	-8.39%	-1.48%	10.21%	9.21%	7.25%
Profit Margin:	-21.95%	-2.58%	11.85%	11.00%	6.98%
Asset Turnover:	38.23%	57.29%	86.17%	83.66%	103.89%

Strategy 1 Effects:

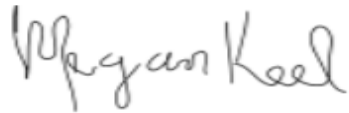
	2021	2022	2023	2024	2025
Revenue:	\$91,296	\$91,296	\$91,296	\$91,296	\$91,296
COGS:	\$77,218	\$77,218	\$77,218	\$77,218	\$77,218
SG&A Expense:	\$16,184	\$16,184	\$16,184	\$16,184	\$16,184
Operating Income:	\$6,721	\$6,721	\$6,721	\$6,721	\$6,721
Assets:	\$113,336	\$113,336	\$113,336	\$113,336	\$113,336
Liabilities:	\$114,661	\$114,661	\$114,661	\$114,661	\$114,661
Return on Assets:	5.93%	5.93%	5.93%	5.93%	5.93%
Profit Margin:	7.36%	7.36%	7.36%	7.36%	7.36%
Asset Turnover:	80.55%	80.55%	80.55%	80.55%	80.55%

Strategy 2 Effects:

	2021	2022	2023	2024	2025
Revenue:	\$91,306	\$91,306	\$91,306	\$91,306	\$91,306
COGS:	\$77,218	\$77,218	\$77,218	\$77,218	\$77,218
SGA Expense:	\$16,189	\$16,189	\$16,189	\$16,189	\$16,189
Operating Income:	\$6,730	\$6,730	\$6,730	\$6,730	\$6,730
Assets:	\$113,345	\$113,345	\$113,345	\$113,345	\$113,345
Liabilities:	\$114,661	\$114,661	\$114,661	\$114,661	\$114,661
Return on Assets:	5.94%	5.94%	5.94%	5.94%	5.94%
Profit Margin:	7.37%	7.37%	7.37%	7.37%	7.37%
Asset Turnover:	80.56%	80.56%	80.56%	80.56%	80.56%

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

Signed:



Case Twelve: The Financial Crisis of 2008

Jermaine Barnes

ACCY 420

Dr. Dickinson

Summary

This case was by far one of the most interesting assignments that I have done throughout my educational career. The case instructions asked me to utilize various sources regarding the Global Financial Crisis of 2008 and discuss how these materials affect my trust of government and my perceived role in society. The case also involved me analyzing the political and economic climate during this time to draw similarities to the current climate of our country while also seeking any wisdom that may be gained from the handling of this crisis. While analyzing the various materials I found that the most difficult part of this assignment was attempting to rationalize the ethically inept decision making that contributed to this financial crisis. I attempted to rationalize the actions and behaviors of the various individuals that were knowingly creating a situation as dangerous and unstable as the conditions that caused this problem because I believed this would be pivotal towards understanding the role, I can play in my professional career to ensure that I do not ever contribute to something as catastrophic as this financial crisis. However, in my attempts to rationalize their decisions I found it increasingly difficult to develop a reasonable understanding and justification for one to act in the manner that they did. The only rationalization that I could reach is that their actions were strictly driven by greed and a lack of empathy towards those that their decisions would affect the most. While analyzing the materials I continuously found occurrences that involved very wealthy individuals making decisions that made them even more wealthy at the direct detriment of another individual that was already not in a financially comfortable position and being someone who has personally experienced being in these kinds of positions caused me to not understand what causes another person to display such a lack of care for others.

Results

For this case a variety of materials were covered regarding the Financial Crisis of 2008, and each of these sources further enforced my limited trust in major institutions and governments. This lack of trust stems from numerous occasions throughout history that involved an individual or agency within the government abusing the powers given to them in pursuit of personal benefit and greed, and this trend continues during the crisis being discussed in the materials as well as the current crisis affecting our world. In the video "What is Crony Capitalism", political historian Jay Cost explains this in greater detail. He explains that true capitalism is, "premised on the free exchange of goods or services between independent agents" and that crony capitalism involves governmental agencies conducting business with others in a manner that does not aim to achieve the maximum benefits for the citizens and instead is driven by personal benefit and corruption (PragerUniversity). Mr. Cost further explains that crony capitalism is found in all areas of the government such as defense contracting, infrastructure spending, and even clean energy programs (PragerUniversity). The presence of crony capitalism within our government usually creates a much worse situation for everyone affected by it, barring those that the transactions were aimed to directly benefit. This is because the entire process is wasteful on both sides of the transaction, as taxpayer money is being spent towards objectives that do not benefit the taxpayers and the businesses seeking the corrupt deals are wasting capital on the corrupt incentives instead of improving their quality of output to achieve success ethically. Both are done at the direct expense of the same group of individuals that has have been treated as expendable on numerous occasions in cases like this: the average consumer. Wasting taxpayer money on a transaction that only benefits the parties conducting it hurts the average consumer because these funds are now not able to be allocated towards improving the

general welfare of the country, and by wasting capital to obtain these corrupt contracts the businesses are left without the ability or incentive to improve their products since these contracts are often lucrative enough to give the businesses a good financial standing with a lesser need to continue innovating to stay competitive. Crony capitalism leads to the people needing the most help receiving the least amount of it, and even during times of crisis this same concept has continued to remain prevalent. This is something that is shown on numerous occasions throughout the materials, as political figures were found to have many questionable connections and often acted in the benefit of their own interests over their constituents; furthermore, this priority of one's own interest over the interests of the public is the most prominent cause of my overall distrust of government if the powers it possesses are not adequately limited.

In addition to further illustrating the reasoning behind my waning trust in the government and major institutions, the materials significantly influenced the role that I have perceived for myself in society both professionally and personally. The materials display numerous examples of individuals filling a professional role in society that one should never hope to obtain. The documentary film, *Inside Job*, covers the Financial Crisis of 2008 in detail and explains the questionable decision-making being done by various executives of financial institutions and individuals within the government. These individuals each allowed themselves to begin behaving in a way that was ethically and, in some cases, morally lacking, and this is a role that I never want to allow myself to play throughout my professional career. The film even shows many of these individuals acting as if they have no remorse for their actions, and even outright denying that they had done anything wrong with those actions. Evidence of this is found in the documentary when Lloyd Blankfein of Goldman Sachs states, "I heard nothing today that makes me think anything went wrong," when questioned by the Senate Governmental Affairs

Subcommittee on Investigations and later went on to say, "In the context of market making that is not a conflict," when asked if it is a conflict to sell a security to someone when you know it will fail and are actively pursuing interests in it failing without disclosing that to the buyer (*Inside Job*). By demonstrating this lack of personal accountability, the documentary provides another example of what I plan to avoid throughout my professional career.

However, the materials influenced the role I plan for myself personally in society in a different manner. While analyzing these materials, I noticed a very surprising detail that provided insight to the personal effects of this crisis and this detail provided a prominent example of the kind of traits I believe will contribute to my future role in society. I noticed this in the film *Inside Job*, as a former factory worker from China explains that the factory workers earned around \$70 to \$80 USD per month and although this may seem low it was significantly higher than the farmers that worked in the countryside, so the workers often wired their salaries directly to their families in their hometown to help support them (*Inside Job*). In addition to this low compensation, the workers were also subjected to harsh or unsafe working conditions, and yet they continued to persevere through these circumstances with the desire to provide for the wellbeing of their family as their driving cause. This overwhelming determination to ensure that the ones they loved and cared played a relatively minor role in the content of the documentary; however, it was a very significant influencer upon my perceived role in my personal life because I was able to directly connect with it. Seeing these people still pursuing better times and opportunities for their families as well as themselves and doing it in a manner that is not to the direct detriment of others even while they faced such unfavorable odds is something I plan to embody and believe we all should attempt to emulate.

Furthermore, while analyzing these materials I noticed striking similarities between the political and economic environments of the Financial Crisis of 2008 and our current environments. The most prominent of these similarities is that both times involve an event that each country was not adequately prepared for, and these events effectively shut down economies across the globe due to the lack of preparation and expectance. Charles Morris states, "I began to get really scared because even I hadn't foreseen the whole world going down at the same rate at the same time," when discussing the global crisis and how sudden it occurred leaving a significant number of problems and an inadequate number of solutions in its wake (*Inside Job*). This is comparable to the current state of the global economy as the recent pandemic forced most countries into a shutdown that caused potentially crippling effects on the economies.

Furthermore, this first similarity between these environments both acted as predecessors to the second similarity, this similarity being that both global shutdowns were followed by the government distributing a significant outflow of aid with the hopes of easing the effects of the crises. This similarity is even more fitting because both large aid distributions involved a significant portion going towards large institutions and corporations instead of the people feeling the effects of the crises on a more widespread scale. It is stated that in 2008 President Bush signed into effect a \$700 billion dollar bailout bill to assist in aiding after the chaos of the crisis; moreover, it is stated that the bailout bill did nothing to slow the rate of layoffs and foreclosures throughout the country. However, the bill was effective in compensating the major institutions that played a role in causing the crisis, as the article "The Great American Bubble Machine" explains that institutions like Goldman Sachs received significant compensation through multiple questionable dealings. This same situation is a parallel to the current climate of the country as large aid packages are being signed into effect with hopes of assisting in the recovery of the

country's economy, but these bills involve a large portion of the funding assisting institutions and corporations while the citizens are still dealing with unemployment and foreclosure at alarming rates with that amount of the aid directed at that them.

These similarities between the events present what I believe is the most prominent thing to be learned from both crises. I believe the wisdom to be gained from these crises is that those that are making decisions that affect global economies should put aside any personal greed or lack of empathy they may have, especially during times of crisis, and attempt to make decisions that will benefit the public's best interests. In both crises it seems that those that were being affected the worst by these situations were the ones receiving the least amount of assistance and care; meanwhile, institutions that were already in positions of financial prosperity benefitted significantly more from the aid. This seemingly creates a split across the country as one side is facing hardships and inadequate preparation or resources, while the other side is facing significantly less hardships due to the increased availability of resources and aid from bills funded by the government. In a time of global uncertainty and panic, it is not advantageous for a metaphorical divide to form as this leads to further unstableness within the country. The handling of these crises displays that not truly showing a desire to understand and empathize with others, particularly those in pressing need, can lead to a less than favorable outcome for most involved; therefore, I believe it is imperative that the lesson taken from both crises be that the best solution for all should be constantly sought after over the interest of oneself.

The Financial Crisis of 2008 caused worldwide complications, and some of those complications still affect our country. Not only does this crisis still have effects on our country, it also has affected me. By analyzing these materials, I have gained an increased understanding of the events that unfolded in relation to this crisis, and with this greater understanding I have

developed more knowledge of how this crisis is comparable to the current crisis facing our world. While analyzing these it became increasingly clear that this crisis and the materials about it offer valuable information regarding lessons that can be learned from them as well as conditions or practices that we should hope to avoid in the future.

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

Signed:

A handwritten signature in black ink, appearing to read "Lou Bush". The signature is written in a cursive style with a period at the end.

Presentation Summaries

Presentation One: Recruiting Etiquette with Katie Barber

The speaker for this night was Katie Barber, the Campus Recruiting Specialist at Deloitte, and she spoke to us about the entire recruiting process and answered our questions about it as well. She discussed with us the next steps we will be taking over the next few years in the recruiting process, and she also discussed the kinds of changes that the current pandemic will bring to the recruiting process for us. Additionally, she offered some amazing advice on how to set up our resumes. This was the most significant part of the presentation for me because I have received a countless number of opinions about formatting a resume, so I was very grateful to receive input on the format from someone who has a firsthand look at the best way to do it.

While discussing the challenges the pandemic will bring to the recruiting process for us, Ms. Barber brought up how the pandemic could affect whether or not we are able to receive an offer from a firm within the city of our preference. She discussed that since much of the country is shut down, it is possible that the firm that we decide to move forward with may need us to work in a city that we did not originally prefer. She informed us that since there are so many businesses closing temporarily and permanently in different parts of the country, the job market for us will be affected by these closings as the more businesses close the lesser the need for us in that city becomes. She also mentioned that although we may not get to work in our most preferred city, we may still end up being able to work there at some point during our career because there is plenty of opportunities to be transferred to another city for a variety of reasons and this was very interesting to me because I have always preferred to live in multiple places before I decide on a place to continue my life and that showcases the opportunity for just that. This presentation was very beneficial to me because it offered a significant amount of insight

into the other side of the recruiting process and also provided me with even more information about my potential future.

Presentation Two: PwC

The speakers for this evening were a number of different people that work with PwC and they spoke to us about many things. They discussed some of the similarities and differences between big four firms and smaller firms, audit and tax, and also spoke to us in more detail about what we can expect from the recruiting process. The main point that was emphasized to us about big four firms and smaller firms is that it is still possible to get the community feeling of a smaller firm while still working at a big four firm. They explained that although the big four firms work with a lot of large scale clients, they have smaller offices in plenty of places that are still able to convey the family feeling of a smaller firm in general. They also offered us some of their advice on choosing between audit and tax in the near future. They recommended that we take both audit courses and tax courses, and they suggested that we base our decision on how we feel about doing that specific type of work while avoiding basing it on whether or not we like the course structure or professor. They also told us that while those working in audit are out with clients more than those working in tax, they are both still doing work outside of the office very often because that will naturally come with the career. Next, they explained that audit is more detail oriented than tax is, and they recommended that we take that into consideration as well when we are making this decision. Lastly, they discussed the recruiting process to us and they recommended we do things such as not feeling obligated to one firm if the fit isn't right for us, making sure we are well prepared for every interview, and making sure we take all of the factors into consideration when making our choice in the future. All of these speakers provided us with some great advice and this has made me feel a lot more confident and informed heading into the recruitment process. They provided well needed information to me on choosing between tax and

audit and whether or not to choose a big four firm and have allowed me to be much more prepared heading into this process than before.

Presentation Three: BDO

The speakers for tonight were Derek Vanduse and Michael Berg from BDO and their topic of discussion was time management and organizational skills. They allowed us to watch a video discussing time management techniques and the video provided some very interesting viewpoints about time management. One of the most interesting things that I took away from this video was the speaker stating that time is highly elastic and will stretch to accommodate whatever we put in it. What the speaker meant by this was that although it may seem like we do not have time for something at first glance we would be able to make time for it if it were truly an important enough priority to us. She stated that saying you do not have time for something really means that it is not enough of a priority to you because if it was we would not allow ourselves to not have time and we would instead make time for it as we do with numerous other true priorities in our life. This was one of the main focuses of the presentation for this night as they emphasized to us that the key to time management lies within the attitude you have about your different priorities. They suggested that instead of saying that we have to do something, we instead say that we get to do it or that we want to do it so that our attitude about things is different and our motivation is positively affected as well. They gave us multiple different methods of prioritizing our responsibilities to assist in our time management and they also gave us some advice on improving our time management skills overall such as clearly identifying our personal and professional goals at periodic intervals so that we can effectively allocate our time to each of these. Time management has been a major issue for me during this semester because I have found it increasingly difficult to keep track of all of my assignments when I am not meeting in an actual class each week. I have already tried some of the things they suggested to us to

improve our time management; however, I plan on trying some of the new things they suggested as well.

BIBLIOGRAPHY

Case One:

“2020 Best Public High Schools in Shelby County.” *Niche*, www.niche.com/k12/search/best-public-high-schools/c/shelby-county-tn/.

Areavibes. *Most Dangerous Neighborhoods In Memphis, TN*, www.areavibes.com/memphis-tn/most-dangerous-neighborhoods/.

Fort Worth, Texas Climate, www.bestplaces.net/climate/city/texas/fort_worth.

Memphis, Tennessee Climate, www.bestplaces.net/climate/city/tennessee/memphis.

Case Three:

“WATCH: 2020 Presidential Debates: Live Coverage, Schedule, and Video on Demand.” *WATCH: 2020 Presidential Debates | Live Coverage, Schedule, and Video on Demand*, www.c-span.org/debates/?debate=first.

Case Five:

Arctree. “Taxodus - Playing The Global Tax Avoidance Game.” *YouTube*, YouTube, 4 May 2013, www.youtube.com/watch?v=tvILO_pTmeY.

Hodge, Scott A. “Testimony: Positive Economic Growth Effects of the Tax Cuts and Jobs Act.” *Tax Foundation*, 30 July 2020, taxfoundation.org/tcja-economic-growth-effects-testimony/.

“U.S. Department of the Treasury.” *More Jobs and Bigger Paychecks | U.S. Department of the Treasury*, 14 Oct. 2020, home.treasury.gov/policy-issues/top-priorities/tax-cuts-and-jobs-act/more-jobs-and-bigger-paychecks.

Case Seven:

“Boeing Nosedives on Record Losses in 2020.” *Boeing Nosedives on Record Losses in 2020 -*

GuruFocus.com, www.gurufocus.com/news/1342366/boeing-nosedives-on-record-losses-in-2020/?r=4bf001661e6fdd88d0cd7a5659ff9748&mod=mw_quote_news.

Huey, Burkett. “Boeing Reports Improvement Marred by Reach-Forward Loss.” *Morningstar, Inc.*, 27 Jan. 2021, www.morningstar.com/articles/1019262/boeing-reports-improvement-marred-by-reach-forward-loss

Josephs, Leslie. “Boeing Posts Record Annual Loss, Pushes out 777X Deliveries to Late 2023.” *CNBC*, CNBC, 27 Jan. 2021, www.cnbc.com/2021/01/27/boeing-ba-q4-2020-earnings.html

Johnston, Matthew. “Boeing Earnings: What Happened.” *Investopedia*, Investopedia, 27 Jan. 2021, www.investopedia.com/boeing-q4-2020-earnings-5096918

Johnsson, Julie. “Boeing's 777X Charge, 787 Woes Make Max the Key to Turnaround.” *Yahoo! Finance*, Yahoo!, 27 Jan. 2021, finance.yahoo.com/news/boeing-takes-6-5-billion-125930003.html

Roth, Ryan. “Aircraft, Engine, & Parts Manufacturing in the US.” *IBIS World*, Dec. 2020, my-ibisworld-com.umiss.idm.oclc.org/us/en/industry/33641a/industry-performance#key-external-drivers.

Case Nine:

“Boeing Paid Tax Rate of 8.4% in Previous Decade, but Trump to Speak about Why It Needed His Corporate Tax Cut.” ITEP, <https://itep.org/boeing-paid-tax-rate-of-8-4-in-previous-decade-but-trump-to-speak-about-why-it-needed-his-corporate-tax-cut/>.

Case Ten:

“Boeing PE Ratio 2006-2020: BA.” *Macrotrends*,

www.macrotrends.net/stocks/charts/BA/boeing/pe-ratio.

“Boeing Strategy Analysis: Business Plan & Objectives.” *StudyCorgi.com*, studycorgi.com/boeing-strategy-analysis-business-plan-objectives/.

“Data Shows NBA Finals Generated \$164.4M In TV Ad Revenue, Led By Spots From Samsung.” *Sports Business Daily*,

www.sportsbusinessjournal.com/Daily/Issues/2016/06/24/Marketing-and-Sponsorship/NBA-iSpot.aspx.

Guttman, A. “NBA Finals: Cost of a TV Commercial 2018.” *Statista*, 19 Nov. 2020,

www.statista.com/statistics/616373/nba-finals-cost-tv-commercial/#:~:text=To have their advertising air,game cost 10 thousand more.

“Boeing Mission Statement 2021: Boeing Mission & Vision Analysis.” *Boeing Mission Statement 2021 | Boeing Mission & Vision Analysis*, 27 Jan. 2021, mission-statement.com/boeing/.

Press, Associated. “Boeing Says 2 Directors Are Leaving as Board Faces Scrutiny.” *The*

Washington Post, WP Company, 18 Feb. 2021, www.washingtonpost.com/business/boeing-says-2-directors-are-leaving-as-board-faces-scrutiny/2021/02/17/909d375a-7182-11eb-8651-6d3091eac63f_story.html.

Case Eleven:

Boeing Company (The) (BA) stock Price, NEWS, quote & history. (2021, March 03). Retrieved

March 03, 2021, from <https://finance.yahoo.com/quote/BA?p=BA>

Case Twelve:

“Cause of the 2008 Financial Crisis - Dr. Thomas Sowell.” *YouTube*, YouTube, 2 May 2018,

www.youtube.com/watch?v=Nkc_1YaqbnI.

Damon, Matt, and Charles Ferguson. *Amazon*, [www.amazon.com/Inside-Job-Matt-Damon/dp/B004NOCCEG/ref=nav_ya_signin?dchild=1&keywords=inside job&qid=1619032202&s=instant-video&sr=1-1&](http://www.amazon.com/Inside-Job-Matt-Damon/dp/B004NOCCEG/ref=nav_ya_signin?dchild=1&keywords=inside+job&qid=1619032202&s=instant-video&sr=1-1&).

PragerUniversity. "What Is Crony Capitalism?" *YouTube*, YouTube, 22 Feb. 2016, www.youtube.com/watch?v=4DxXHh-p-O4.

Salmon, Felix. "Recipe for Disaster: The Formula That Killed Wall Street." *Wired*, Conde Nast, www.wired.com/2009/02/wp-quant/.

Taibbi, Matt. "The Great American Bubble Machine." *Rolling Stone*, Rolling Stone, 10 Feb. 2021, www.rollingstone.com/politics/politics-news/the-great-american-bubble-machine-195229/