

University of Mississippi

eGrove

---

Honors Theses

Honors College (Sally McDonnell Barksdale  
Honors College)

---

Spring 4-30-2021

## Exploration of Accounting Topics

Rachel Sheffield

Follow this and additional works at: [https://egrove.olemiss.edu/hon\\_thesis](https://egrove.olemiss.edu/hon_thesis)



Part of the [Accounting Commons](#)

---

### Recommended Citation

Sheffield, Rachel, "Exploration of Accounting Topics" (2021). *Honors Theses*. 1600.  
[https://egrove.olemiss.edu/hon\\_thesis/1600](https://egrove.olemiss.edu/hon_thesis/1600)

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](mailto:egrove@olemiss.edu).

EXPLORATION OF ACCOUNTING TOPICS

By

Rachel Ellen Sheffield

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

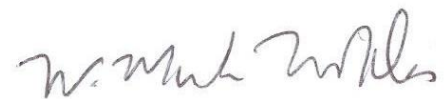
Oxford, MS  
May 2021

Approved By



---

Advisor: Dr. Victoria Dickinson



---

Reader: Dr. W. Mark Wilder

## **ABSTRACT**

**RACHEL ELLEN SHEFFIELD: Exploration of Accounting Topics**  
(Under the direction of Victoria Dickinson)

This thesis compiles eleven case studies related to the modern economic and professional environment as they relate to accounting. Each case was completed over the course of one week and describes the challenges, details, and outcomes related to the issue at hand. Accounting is a broad and intricate field that intertwines business, the economy, the government, and the public. Investigating many of the issues that an accountant may face before entering a career in accountant has proven to be very beneficial in understanding the expansiveness of the work. Whether having a career in bookkeeping, audit, tax, advisory, or finance, accountants must be well-versed in ethics, business topics, modern technology, and governmental proceedings to stay successful. This thesis demonstrates an understanding of each of these topics. Though many of the cases explore topics that will become either much more advanced or outdated, the skills and critical thinking involved in completing these cases served as preparation for a successful career in accounting.

## TABLE OF CONTENTS

LIST OF TABLES	iv
CASE 1: CITY SELECTION	1
CASE 2: EXCEL CERTIFICATION	11
CASE 3: BREXIT ANALYSIS	12
CASE 4: BANK OF AMERICA 10-K EXAMINATION	18
CASE 5: THOMAS SOWELL ON ECONOMIC INEQUALITY	29
CASE 6: REGULATION FAIR DISCLOSURE	32
CASE 7: HYPOTETICAL TAX RESEARCH CASE STUDY	35
CASE 8: BLOCKCHAIN SIMULATION	39
CASE 9: INTERVIEW WITH KIMBERLY J. SMITH	45
CASE 10: INTERNSHIP INTERVIEW WITH OLIVIA DUKE	48
CASE 11: ECONOMIC EFFECTS OF COVID-19	51

## LIST OF TABLES

### **Case 1: City Selection**

Figure 1-1: Dallas Monthly Budget	9
Figure 1-2: Charlotte Monthly Budget	10

### **Case 2: Excel Certification**

Figure 2-1: Corporate Finance Institute Excel Crash Course Certificate of Completion	11
--	----

### **Case 8: Blockchain Simulation**

Figure 8-1: Rachel Sheffield, Inc. Balance Sheet	42
Figure 8-2: Rachel Sheffield, Inc. Income Statement	43
Figure 8-3: Rachel Sheffield, Inc. Statement of Retained Earnings	44

## **CASE 1: CITY SELECTION CASE**

While moving to college is a big adjustment akin to starting a new chapter, moving into the real world after college is a completely different feat akin to starting a whole new volume. Up to this point in our lives, we have had structure and guidance in the form of parents, familial obligations, and school. Upon graduating college, a whole new world filled with heightened responsibilities, even more freedom, and many complex decisions await us. Deciding where to begin your career and full adult life is a difficult decision with many variables. This case serves to help in this decision-making process by analyzing two different cities in-depth. The idea of some cities may seem intriguing and exciting but in reality, they may be impractical or incompatible with your lifestyle preferences. I was born and raised in Coppell, Texas, a suburb of Dallas. While I love this city and am interested in returning post-graduation, I know little to none about the financial aspects and fine details about living in Dallas. Suburban life is vastly different from inner city life, which would likely be where I would end up for the first few years of my career. Charlotte, North Carolina is another city that I will be examining. Although I have never lived in Charlotte, I have family ties in the area and feel drawn to the comforting atmosphere. These two cities have many differences, but in some ways are very similar. Looking at the logistics and facts about each city will give a better picture about what life in these places would look like. Variables such as geography, population, tax and rent rates, available entertainment, and transportation are all crucial factors in the decision. While some variables may hold more weight than others for different people, it is important to look at the whole

picture for this decision. Though the final decision is not necessarily a permanent one, it will be a place that will become home for likely at least five years.

Texas as a whole is known for being one of the hottest and largest states in the United States. With summer temperatures typically ranging from 94 to 110 degrees Fahrenheit, Texas heat is not something everyone can handle. Dallas has mild winters with 40 to 50-degree weather and very rare snowfall. Lying on the edge of Tornado Alley, the Dallas-Fort Worth Metroplex (DFW) is relatively frequently put on Tornado Watch and experiences violent hail storms. Charlotte, however, experiences intense July storms and other year around heavy storms due to tropical cyclones and heavy rain from occasional hurricanes off the Atlantic Coast. Winter temperatures tend to stay around the 30 to 50-degree range and is paired with an average snowfall of 6.5 inches. Fortunately, I am very accustomed to living in the extreme summer conditions found in Dallas and would not struggle to adjust to the climate, as I may do with much more snow and lower winter temperatures in Charlotte.

Dallas and Charlotte alike are mostly flat and grassy with many flowering plants. Charlotte lies on the Piedmont plateau in North Carolina which is filled with forests and an abundance of



trees<sup>1</sup>. Surrounded by nearby scattered mountains and the Appalachian Mountain Range within a few hours' drive, there are many places to hike and beautiful sights to see. Although North Carolina lies on the Atlantic Coast, Charlotte is one of the most inland cities and

contains no major waterways, only small lakes. Dallas and the surrounding areas are very flat but

---

<sup>1</sup>Image: <https://fortune.com/2019/07/23/charlotte-nc-fintech-startup-capital/>

filled with bluebonnets- the state flower- and have many urban parks and bike paths.<sup>2</sup> Nature



parks and large lakes are everywhere, ensuring an abundance of outdoor activities despite the lack of various landforms. I very much enjoy the landscape that Dallas has to offer but would also love to take full advantage of the more diverse topography of Charlotte.

While some areas of Texas are scattered with small towns, livestock, and open plains, the urban areas such as Dallas are highly populated and growing quickly. Dallas is the ninth largest city in the United States with a population of 1,341,750 people. The DFW metroplex has a population of roughly five million. Coppell, my hometown, has a current population of about 42,000 and has seen extremely high growth in the last five years. The Charlotte population is currently just shy of 860,000. Though neither city has an overwhelmingly large population, Charlotte is considerably smaller with slightly over half of Dallas' population. Smaller cities are typically easier to maneuver and get to know people, however being in a larger city comes with more options and opportunities for entertainment, living, and growth. Despite having a larger population, Dallas has a lower crime rate of 369 than Charlotte does at 416. Dallas is an overall safe place, but it is best to avoid the South Dallas and Oak Cliff areas, especially at night. Charlotte's highest crime areas are in the Northwestern section of the city. Although there is a higher rate overall, it is important to note that when avoiding dangerous areas and being extra cautious at night the ratings are much more comparable.

Many companies both big and small are headquartered in Dallas, Texas. Although the technological and transportation industries have dominated the area for a while, healthcare has

---

<sup>2</sup> Image: <https://andystravelblog.boardingarea.com/2016/04/10/picture-of-the-week-epic-dallas-sunrise/dallas-hampton-1-2/>



recently made a large jump to one of Dallas' top industries. Business and financial services are also very prevalent along with construction, due to the high growth in the urban areas as well as the suburbs. Exxon Mobil, American Airlines, AT&T, Dell, and Texas Healthcare Corp are five of the leading organizations in the Dallas area. Similar industries reign in Charlotte, with manufacturing, financial services, healthcare, and transportation holding the majority of the economy. Bank of America, Lowes, Nucor, Duke Energy, and BB&T Corp are the largest companies in Charlotte. Though both cities' industries are comparable, Dallas headquartering American Airlines is an important factor in the city's transportation.

Dallas is home to two major airports; DFW International Airport and Dallas-Lovefield Airport. Lovefield is in the heart of Dallas and DFW is only a short twenty-minute drive away from downtown Dallas. DFW is the fourth busiest airport in the United States as well as American Airlines' largest hub due to its headquarters location. The Dallas Area Rapid Transit (DART) public transportation includes bus and light rail transit to hundreds of locations in the metroplex making it easy to get around even during prime traffic times. Inner city transportation options include the DART, Uber and Lyft, the M-line Trolley, and bird scooters. Charlotte has a system similar to the DART called the Charlotte Area Transit System (CATS) which also includes bus and light rail services. The Charlotte Douglas International Airport is the seventh busiest airport and is also a hub for American Airlines. As is typical with most urban areas, traffic is inevitable during prime times in both Charlotte and Dallas. Having alternate ways of getting around such as the DART and CATS light rail systems are very practical. The DFW International airport being the largest American Airlines hub is a huge benefit, as there is always an immense variety of destinations and travel times. In Dallas, I would typically only use the airport to travel during vacation time and on holidays. Alternatively, in Charlotte I would need to use the airport to visit

home when needed. The flight time from Charlotte to Dallas is approximately two and a half hours and costs around \$250 for a round trip flight. Driving home is also an option, however it would take 15.5 hours and cost about \$150 for gas. The typical commute time in both locations is approximately twenty-five minutes but is largely dependent on housing location.

Living downtown is undoubtedly more expensive than living on the outskirts of a city but doing so while starting out a career can be very convenient in getting to work and learning an area. Being within walking distance of many restaurants, bars, concert venues, and parks, as well as work, is very beneficial and can help cut down on transportation and commute costs. Downtown Charlotte has an



average rent price of \$1,4500 per month for a one-bedroom apartment. This apartment option is \$1400 per month and 755 square feet.<sup>3</sup> Amenities include an in-apartment washer and dryer, a private balcony, ceiling fans, workout facilities,

and meeting rooms in the building. Living here would result in an approximate ten-minute commute to work each day. There is a Whole Foods two blocks away and a Harris Teeter four blocks away where I could do my grocery shopping. Having a Whole Foods is nice for certain occasions, but based on my budget and needs, I would likely do most shopping at Harris Teeter. Eventually in Dallas I would need an apartment as well. This apartment is 720 square feet and is priced at \$1200 per month.<sup>4</sup> It also includes a washer and dryer, along with a fireplace, pool, and workout facilities. Although it is only about a twelve-minute walk to the downtown offices and

<sup>3</sup> <https://www.cedarflatsapts.com>

<sup>4</sup> <https://www.maac.com/available-apartments/?propertyId=611820&Bedroom=1%20Bed>

cheaper rent than that in Charlotte, during my internship and likely my first year of work I would live at home. This is a huge benefit of Dallas and would allow me to save a large amount of money as opposed to paying rent. The commute from home is approximately a 25-minute drive, but compared to the amount saved on rent, this is still a large savings benefit.

Texas is one of the few states that do not have a state income tax. While federal taxes and FICA are still deducted, this is a positive for starting out a career in Dallas. There is a sales tax of 6.25-8.25 percent and property taxes of \$0.7767 per \$100 assessed valuation in Texas, but it is a very tax-friendly state. Charlotte has a flat income tax rate of 5.499 percent. A sales tax of 7.25 percent is in place and a property tax rate of \$0.4586 per \$100 valuation. The property tax rate is much lower in Charlotte than Dallas, however Charlotte has a state income tax.

Healthcare is a growing industry in both Charlotte and Dallas. Charlotte's main healthcare providers are Atrium and NOVANT, which seem to be growing in size and rating throughout Charlotte and the surrounding areas. Dallas is home to nationally renowned healthcare from Parkland Hospital and Baylor Hospitals. The Children's Medical Center Dallas is the eighth largest pediatric hospital in the country and is awarded time and time again for their impeccable service and outcomes. This hospital is a great factor to consider when thinking of the well-being of my future children. School systems are likewise an important variable to consider for starting a family a few years down the line. Charlotte is not necessarily known for having great public schools, however their urban school districts are well above average. The Charlotte-Mecklenburg School District would be a good option for public schooling. Inner city schools in the Dallas area are not quite up to the same standard, however the surrounding suburbs of Dallas have some of the most incredible school district in the country. Around the time of having children I plan to move to the suburbs of whichever city I end up in, anyways. Highland Park is a

strong school district on the edge of Dallas, and other nearby cities such as Plano, Southlake, and even Coppell are top-rated public-school districts in which I would definitely be more than happy to send my kids to.

Before having children, I will have more time to explore my city of choice, get involved in the community, and make many new friends. There are so many options in large cities such as these, but it is still common to feel lost or overwhelmed when moving to a new place. In Charlotte, by getting involved with organizations such as the Learning Help Centers of Charlotte (LHCC), the Second Harvest Food Bank, and Ellevate Charlotte's Network for Women it would be much easier to make friends, transition to life in a different place, and find some new hobbies. In other free time I may have, I would enjoy going to some Carolina Panthers games, Charlotte Hornets games, checking out concerts at the PNC Music Pavilion, The Fillmore, and exploring Romare Bearden Park. In Dallas I am familiar with many organizations, but if I do end up moving back I would love to get more involved with the Salvation Army, North Texas Food Bank, and Taylor's Gift Organ Donation Foundation. As an avid Dallas sports fan, I would definitely attend Dallas Cowboys games, see the Texas Rangers play, and possibly get season tickets for the Dallas Mavericks. The American Airlines Center (AAC) is a large concert hub which I will attend frequently, as well as the Deep Ellum District. Although I am a big fan of the Dallas teams, I am in no way opposed to getting to know new teams and city culture.

The budgets shown in Table 1-1 and Table 1-2 outline my basic personal monthly expenses in each city, given a Year 2 Salary of \$60,000. Both budgets were created with the rent prices from the previously proposed apartments from each city. The total monthly income, expenses, and earnings left for savings and investments are shown in bold.

Dallas, Texas and Charlotte, North Carolina both seem to be great places, full of different opportunities, to start out a career. Charlotte would provide me a chance to make a brand-new start and create many new experiences. The geography and naturistic opportunities are extremely appealing and would be beneficial in staying fit and finding new hobbies. Start a career in Dallas, however, would come with many financial benefits and reduce stress of navigating a new city while trying to adjust to a full-time career. Living at home for the duration of a winter internship and possibly the first year of being on the job would save thousands of dollars which could be instead used to start savings and investment accounts to benefit my future. Being close to immediate family is also very important, and logistically living in North Carolina would mean only seeing my family a couple times a year. Overall, I would prefer to start my career in Dallas. Dallas gives me the chance to stay close to family, save money, and build a life of my own in a place that has helped shape me.

Figure 1-1: Dallas Monthly Budget

<b>Personal Monthly Budget- Dallas</b>	
<b>Income</b>	
Salary	\$5,000.00
Less: Taxes	\$608.00
FICA	\$383.00
<b>Total</b>	<b>\$4,009.00</b>
<b>Expenses</b>	
Rent	\$1,200.00
Utilities	\$120.00
Phone bill	\$75.00
Groceries	\$250.00
Gas	\$60.00
Netflix Subscription	\$9.00
Clothes	\$100.00
Entertainment	\$250.00
<b>Total</b>	<b>\$2,064.00</b>
Earnings Left For Savings and Investments	<b>\$1,945.00</b>

Figure 1-2: Charlotte Monthly Budget

<b>Personal Monthly Budget- Charlotte</b>	
<b>Income</b>	
Salary	\$5,000.00
Less: Taxes	\$836.00
FICA	\$383.00
<b>Total</b>	<b>\$3,781.00</b>
<b>Expenses</b>	
Rent	\$1,400.00
Utilities	\$120.00
Phone bill	\$75.00
Groceries	\$250.00
Gas	\$60.00
Netflix Subscription	\$9.00
Clothes	\$100.00
Entertainment	\$250.00
<b>Total</b>	<b>\$2,264.00</b>
Earnings Left For Savings and Investments	<i>\$1,517.00</i>

**CASE 2: EXCEL CERTIFICATION**

**Figure 2-1: Corporate Finance Institute Excel Crash Course Certificate of Completion**





## CASE 3: BREXIT ANALYSIS

### I. EUROPEAN UNION BACKGROUND

The European Union (EU) originated in 1958 after World War II as the European Economic Community (ECC). The United Kingdom joined the ECC in 1973 alongside the Republic of Ireland and Denmark. Renamed the EU in 1993, The Union consists of 28 European countries and shares trade agreements, a governing body and political structure, and countless regulations pertaining to environmental concerns, security, mobility, and other aspects of everyday life. In 2013 Britain's Prime Minister, David Cameron, proposed renegotiations of EU membership in a campaign called Brexit. Many factors such as global and political relations, economic impacts, and cultural implications are to be considered in this monumental decision to leave or remain in the EU. The first vote took place in 2016 ending with a pro-Brexit outcome and the process has faced many delays and obstacles in moving forward since then. Brexit has the capability to disrupt not only the British economy, but also may affect business relations worldwide. Contract negotiations, taxation, and trade deals that have potential to become wildly discombobulated due to Brexit. The practices of business and accounting, specifically international tax, must prepare for the upcoming changes and years of uncertainty. It is important to understand the history of the EU and how the dissolution of these European relationships may change the global business climate. This case serves to examine the differing viewpoints on the Brexit campaign and analyze the proposed upcoming actions and their global effects. A documentary titled *Brexit: The Movie* written and directed by Martin Durkin provides an in depth

look into the conservative, and current majority, viewpoint of the British population to leave the EU. With constantly changing agendas and timelines, the UK and the rest of the world are anxious to finalize the process and begin addressing the political and economic changes.

## II. BREXIT THE MOVIE: REASONS TO LEAVE

The British were one of the first groups to express the inherent freedoms we have as people and other rights such as a say in taxation. These sentiments were expressed in the Magna Carta in 1215 and became the roots of democracy worldwide. Great Britain and the United Kingdom (UK) took much pride in becoming a democratic state with elected representatives in Parliament and an appointed Prime Minister. The conservative party was the first to suggest Brexit and has fought to leave the EU for the past six years. Frustrations and tensions have risen due to the lack of response from the EU and the perpetual delays of action. Those in favor of Brexit make compelling arguments surrounding the complex nature of the EU governing system and the economic history of the union.

Economic fluctuations have been common throughout Britain's history. What started as an industrial boom and rapid economic growth in the United Kingdom quickly turned into a society struggling to make ends meet due to soaring inflation and lack of jobs post World War I.

Unregulated Britain thrived in the Industrial Revolution, but the rise of war forced the government to extend their control over all aspects of the British economy. Despite the wars, the European Union had a strong and thriving economy during this time, which made it extremely appealing to enter The Union and boost the UK's own economy. Upon joining, the economy went up but so did the regulations. Since the initial boom however, the economy as a whole of the EU has remained extremely stagnant despite large growth in most of the world in this

evolving and emerging technological age. Many of the regulations and systems in place prevent new companies from forming and small companies from surviving. The expansive bureaucratic system makes it difficult to maneuver through the controls from Brussels, the EU Headquarters, without much capital and legal assistance. Large, existing companies are essentially protected by the government. The European customers suffer greatly as they are given little choice in the products they consume. In a world full of innovation, most products are becoming available in cheaper and more quality forms. In the EU however, protected and inefficient producers are continuing to dominate, leading to high consumer frustrations. This lack of competition in most industries has contributed to the stagnation of the European economy.

A lack of trade barriers within the EU was originally an attractive quality, however this idea was severely misinterpreted when members realized that this, by default, almost exiled trade with the rest of the world. The majority of global trade occurs with no deals in place, as they are becoming increasingly unnecessary in the modern e-commerce world. The UK hopes that upon leaving the EU they will be able to establish free trade agreements with large markets such as the United States and Asia. Some fear that leaving the EU will disrupt European trade. Britain is currently the EU's biggest market, meaning that the EU will need to establish business relations with the UK when they leave to stay relevant.

Frustrations from economic challenges are only heightened by the fact that the governing body of the EU is a complex bureaucracy designed to keep the public in the dark. Located in Brussels, the leadership of the EU consists of the European Parliament, three different councils, four different presidents, and many other institutional bodies and agencies. Not only is the system itself complex, but it does a poor job of communicating who exactly is in charge with the people of the EU. *Brexit: The Movie* showcased how almost no one in Brussels or the UK could

identify any of the four presidents of The Union. Claiming to be a democracy, the people have no real power in the system. The European Parliament gathers in Brussels but has very little input, if any, in the laws that come through. The European Commission and the Council of the EU make the final decisions, and Parliament is left without a voice. The Parliament is the only elected group in the EU government, as all other positions are appointed. The people of the EU have no means of removing any of the presidents or other council members from office if they were to deem it necessary. The pro-Brexit UK has claimed that the EU has “power without accountability”<sup>5</sup>. In the eyes of the UK, because no consequences can come from their actions, the EU officials and staff in Brussels live an ignorant and high-class life with little regard to the public’s best interest. With elite status and living arrangements, private shopping centers, and one fifth of EU workers being paid more than the British Prime Minister, the United Kingdom has had enough of what they call “dictatorship-like control”<sup>6</sup>. A centralized government is not always a bad thing, however with this many anti-democratic practices in the EU the UK feels that it needs to take back its peoples’ power.

### III. THE OTHER SIDE: REASONS TO REMAIN

While a majority of the United Kingdom is in favor of Brexit and leaving the EU, many still have strong sentiments toward remaining. Consisting of mostly the Liberal parties in Britain, the Remain Campaign is a strong force. The combination of the Remain parties and the EU resisting Brexit has contributed to this impassioned issue being prolonged and delayed for many years. The Pro-EU parties are pushing to stay in The Union to maximize the benefits that the EU is currently working towards such as better healthcare systems, education assistance, and

---

<sup>5</sup> Brexit: The Movie

<sup>6</sup> Brexit: The Movie

increasing trade deals. Not only do Remainers view staying as a benefit to the United Kingdom but leaving has the potential to cause many negative ramifications. The freedom and ease of movement throughout Europe of both goods and people is another main argument for those who wish to Remain. Breaking off from the EU will slow immigration into the UK and become a larger inconvenience for international travelers. The United Kingdom is a highly recognized and admired country and making such drastic political moves can have ramifications in social, economic, and political global relations. If Brexit goes through, the global business world will shift immediately. Contracts from countless organizations may need to be renegotiated and adjusted to comply with the new trade and business regulations within the new European structure. This alone could take years to complete. On top of extreme financial obligations and legal fees to change so many contracts, the professional and economic fields will struggle to adapt in a timely and efficient manner. London is one of the world's largest financial hubs, partially due to its European Union integration. Pro-EU parties fear that leaving the EU could potentially disrupt the financial stability and success in London, which would cause the UK's economy as whole to take a large hit. Jobs would be lost in the financial sectors, as well as countless other fields. Approximately three million jobs in the United Kingdom are tied to EU relations which could potentially disappear. Despite their strong feelings to remain in the EU to continue to reap the benefits and avoid harsh repercussions, the Pro-EU parties do acknowledge some shortcomings of the EU. The main drawback in their eyes is UK's necessary release of authority over some internal and national control while in the EU. While this is not perfectly ideal, the bigger picture of the EU acting as a means of creating European unity and positive relations holds a heavier weight of importance for the Remainers.

#### IV. UPCOMING BREXIT ACTIONS

After at least six years of discussing Brexit and over three years since the vote to leave the EU, October of 2019 is set to be a crucial month in the Brexit process. A hard exit from the European Union is scheduled to occur on October 31, 2019. Many are doubtful that the exit or any definitive actions will occur due to the extensive history of delays and the prolonging of decisions. The exit was originally scheduled for March of 2019 but has since faced multiple delays. The EU has a summit scheduled for October 17 in which a Brexit deal is the main focus. Current UK Prime Minister Boris Johnson is adamant about leaving at the end of this month no matter the EU response. The ideal turn out is a mutual exit deal with the EU and the UK with outlined arrangements of compensation, national borders, citizens' rights, and potential business guidelines relating to the separation. There is currently much skepticism about a final deal happening because of the long history and many differing opinions. The complex EU laws make it difficult for Mr. Johnson to be efficient in the process and get the approvals he needs to succeed in his mission. The EU has just made the decision to double the size of its Army to increase its appearance of power to the world, as presumably the UK. The timing of this strategic move may be viewed as a threat to some, and a desperate act to attempt to gain the respect of their opponents. The UK, the other EU nations, as well as the rest of the world will be closely watching this month's events to witness a monumental moment in history. The political behaviors in the coming weeks can have large effects on global relations, so it is critical to maintain composure during the process. No one knows how the exit will happen, if it does, or the final outcome of the negotiations and it is immensely important to prepare for the unknown and handle the uncertainty with flexibility and caution.

## **CASE 4: BANK OF AMERICA 10-K EXAMINATION**

Modern day accountants have a vast variety of responsibilities and knowledge. Working patiently with close attention to detail, auditors are tasked with verifying financial reports to ensure ethical and accurate conduct of businesses. The Securities and Exchange Commission (SEC) regulates publicly traded companies and enforces compliance of the accounting standards known as GAAP (Generally Accepted Accounting Principles). The purpose of this case was to sort through and analyze a 10-K annual report of a Fortune 500 Company. 10-K Reports are SEC mandated reports for all publicly-traded companies which include in-depth descriptions of the business itself, disclosure of the major events throughout the year, and financial statements. The overall purpose of the annual report is to allow investors and creditors to evaluate the financial position of the company and to maintain control over public companies. The Sarbanes-Oxley Act (SOX) of 2002 established this practice as a preventative measure against fraud and misleading financial information. My group was assigned the task of working through Bank of America's 10-K. The banking industry varies greatly from other business models such as a manufacturer or retailer. This served to be quite a challenge to comprehend, as there are many unique components that we had not previously been exposed to. In our accounting classes we frequently construct financial statements, but rarely get the opportunity to evaluate actual statements. Searching through a large 10-K proved to be much work but was very helpful in understanding how businesses view and evaluate their own financial information. Although an interesting case, I do not personally want to go into the financial sector of accounting

## **I. BANK OF AMERICA OVERVIEW**

Bank of America (BofA) is a global banking company that was incorporated in Delaware in 1998. Stemmed from a series of different banks including Massachusetts Bank, NationsBank, and Bank of Italy, Bank of America has been passed along through many different owners and titles. Though they are now headquartered in Charlotte, North Carolina, Bank of America conducts business throughout the United States and in an additional 35 countries. Bank of America focuses on financial services and investment banking, and serves individuals, businesses both large and small, government sectors, and investors. Audited by the Charlotte, NC office of PricewaterhouseCoopers (PwC), Bank of America submitted their latest 10-K Annual Report for Year End December 31, 2018 on February 26, 2019 at a total of 178 pages. The business of banking is vastly different from manufacturing and retail businesses. Part of the financial sector of business, Bank of America drives the majority of its profits from customer interest and service fees. BofA currently sits at number 25 on the Fortune 500 List, due to its large client base and global presence. No matter the economy, people will always need loans, bank accounts, and other financial services. This gives strong stability to Bank of America and allows them to grow during periods of higher interest and lower taxes.

## **II. DESCRIPTION OF BALANCE SHEET LINES**

### **a. Assets**

#### *Cash and Cash Equivalents*

The assets section of the balance sheet includes many categories of both current and long-term assets. Cash and Cash Equivalents includes cash on hand, cash items in the process of collection, cash segregated under federal and other brokerage regulations, and amounts due from



correspondent (other) banks, the Federal Reserve Bank and certain non-U.S. central banks. Certain cash balances are restricted as to withdrawal or usage by legal binding contractual agreements or regulatory requirements. Cash and due from banks is a subcategory which includes Due From accounts which enable the transfer of funds between banks. These accounts are used to facilitate the collection of cash items and cash letters, the transfer and settlement of security transactions, the transfer of participation-loan funds, the purchase or sale of Federal funds, the purchase or sale of Federal funds, and many other purposes. Interest-bearing deposits with the Federal Reserve, non-U.S. central banks and other banks is another subcategory of Cash and Cash Equivalents. Bank reserves are the cash minimums that must be kept on hand by banks, which is set by the U.S. Federal Reserve.

#### *Short Term Investments*

Time deposits-placed and other short-term investments is the next category on Bank of America's balance sheet. A time deposit is an interest-bearing bank deposit account that has a specified date of maturity. These deposited funds must remain in the account for the fixed term to receive the stated interest rate. The short-term investments are debt or equity securities that are expected to be converted into cash in the next three to twelve months. Federal funds-sold and securities borrowed or purchased under agreements to resell (includes \$56,399 and \$52,906 measured at fair value) follows the Time deposits. Federal funds sold are immediately available funds lent under agreements or contracts that have an original maturity of one business day or roll over under a continuing contract, excluding such funds lent in the form of securities purchased under agreements to resell. Securities purchased under agreements to resell, are the securities bought regardless of the maturity date. The next subcategory is Trading account assets (includes \$119,363 and \$106,274 pledged as collateral). Trading assets include but are not

limited to U.S. Treasury securities, U.S. Government agency obligations, securities issued by states and political subdivisions in the U.S., other bonds, notes, and debentures certificates of deposit, commercial paper, and bankers' acceptances. They also include the amount of revaluation gains on assets from the "marking to market" of interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts held for trading purposes.

#### *Other Investments*

Derivative assets, the next line on the balance sheet, are most commonly stocks, bonds, commodities, currencies, interest rates, and market indexes. They are assets that derive their value from price fluctuations in the underlying asset. Debt Securities follow and have a few subcategories. Financial assets classified as held-to-maturity, trading, or available-for-sale based on management's intent. These securities must be paid in full before any amount can be distributed to shareholders. The Carried at Fair Value securities are listed at the market value of the debt securities, while the Held-to-Maturity securities are listed at their cost with their fair value also disclosed. Held-to-Maturity are securities that management intends to hold until the specified maturity date.

#### *Loans and Leases*

Loans and leases, net of allowance, are comprised of two separate lines. Loans and leases (includes \$4,349 and \$5,710 measured at fair value), and Allowance for loan and lease losses. The Loans and Leases line states the gross amount of loans and leases Bank of America has as an asset. Allowance for loan and lease losses represents the amount of loans and leases that are expected to be unpaid, which is deducted from the Loans and Leases line to arrive at the net balance.

### *Remaining Assets*

Premises and Equipment, Net include the cost, less accumulated depreciation, of land and buildings actually owned and occupied right now. Bank premises also include leasehold improvements. Goodwill is an intangible asset. It is comprised of the company's good reputation, loyal client base, brand recognition and identity, and certain technologies. Loans held-for-sale (includes \$2,942 and \$2,156 measured at fair value) are loans that are intended to be sold in the foreseeable future, including residential mortgages, loans syndications, consumer finance, and commercial real estate. Customers and other receivables include sales receivables and other receivables that are expected to be collected within the operating cycle. The last line, Other assets (includes \$19,739 and \$22,581 measured at fair value), is a grouping of accounts that contain minor assets that don't fit into main asset categories.

#### **b. Liabilities**

Deposits in U.S. offices is the largest liability for Bank of America. It includes money-market accounts, savings, and checking accounts. Specifically, for the U.S. bank offices. The deposits have two subcategories; Noninterest-bearing and Interest-Bearing. Noninterest-bearing simply means that there is no interest on the liability accounts, while the Interest-bearing (includes \$492 and \$449 measured at fair value), accrues interest on the liability accounts. The following sections is the same as the previous deposits section, however is listed separately because it is for Deposits in non-US offices. This section also contains Noninterest-bearing and Interest-bearing subsections. Federal funds-purchased and securities loaned or sold under agreements to repurchase (includes \$28,875 and \$36,182 measured at fair value) follows the deposits. Federal funds-purchased is the amount of short term borrowing a bank borrows, at the federal funds rate, from another bank. Securities sold under agreements to repurchase is the

amount of funds outstanding borrowed in the form of a security repurchase agreement. Trading account liabilities are the amount of net short position in certain securities held for trading purposes. Derivative Liabilities are the net liabilities of Bank of America resulting from a derived price of an underlying liability. Short-term borrowings (includes \$1,648 and \$1,494 measured at fair value) are the amount of debt that is owed to the lender within an operating cycle. Accrued expenses and other liabilities (includes \$20,075 and \$22,840 measured at fair value and \$797 and \$777 of reserve for unfunded lending commitments) include liabilities that don't fall under the major categories. As well as expenses where the service has been performed but the payment has yet to be made. The final line of Liabilities is Long-term debt (includes \$27,637 and \$31,786 measured at fair value), which is the debt that is not due until a time period past the current operating cycle.

### **c. Stockholders' Equity**

Stockholders' Equity includes stocks, retained earnings, and accumulated other comprehensive income. The first line is Preferred stock, \$0.01 par value; authorized - 100,000,000 shares; issued and outstanding - 3,843,140 and 3,837,683 shares. Preferred stock means the owners receive dividends before common stockholders. The par value represents the lowest value a share could be worth. Authorized is the amount of shares Bank of America is legally allowed to issue. Whereas, issued and outstanding is the number of shares actually issued. Common stock and additional paid-in capital, \$0.01 par value; authorized - 12,800,000 shares; issued and outstanding - 9,669,286,370 and 10,287,302,431 shares. Common stock is the typical shareholder, and they receive dividends after the preferred shareholders. Additional paid-in capital is the value of share capital above the stated par value. Retained earnings represents the amount of net income left over after dividends have been distributed to

shareholders. Accumulated other comprehensive income (loss) includes unrealized gains and losses that are excluded from net income. For the current year, 2018, Bank of America has unrealized losses in this section.

### **III. CUSTOMERS AND REVENUE**

Bank of America's customer base is made up of individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments. Individual consumers primarily make up Bank of America and are responsible for setting up checking and savings accounts of which most of BOA's income comes from. For example, Bank of America's main sources of income from most lucrative to least lucrative are interest income; service charges, investment banking fees, card income, and investment and brokerage fees. Interest income directly arises from customers taking out loans such as mortgages and having to pay them back plus interest. Service fees come directly from customers such as individuals or businesses open accounts and the charges placed on them for the services required to maintain and use the account. Investment and brokerage services obtain revenue through asset management fees and brokerage fees. Asset management fees are earned from the management of client assets under advisory agreements or the full discretion of the corporation's financial advisors. Brokerage fees come from income earned from transaction-based services that are performed as part of the investment management services; distribution fees, sales commissions. Card income, which comes from the use of debit and credit cards, results from annual, late and over-limit fees as well as fees earned from interchange. Investment banking income comes from fees earned for the placement of a customer's debt or equity securities and commissions on such placements. Income from financial advisory services are fees earned for assisting customers with

transactions related to mergers and acquisitions and financial restructuring. Furthermore, Bank of America does a great deal of global banks, amassing a total income of \$19,644,000 in global banking.

#### **IV. SUPPLIERS**

Bank of America generates revenue primarily through financial activities and services. Consequently, this excludes it from having a ‘true’ supplier for its business. However, in a more general sense the US Treasury Department could be seen as a direct supplier of BofA. It prints and services the currency on which BofA relies. Similarly, BofA lacks a true ‘good’ with associated production costs, but broadly, one can say that a good equivalent for the COGS would be the interest expenses associated with its service operations. These include expenses stemming from interest-bearing deposits, federal funds purchased, securities loaned or sold under agreements to repurchase, short-term borrowings, other interest-bearing liabilities, trading account liabilities, and long-term debt.

#### **V. OTHER OPERATING EXPENSES**

Bank of America lists eight other operating expense categories on the income statement that are considered noninterest expenses. These include Personnel, Service, Occupancy, Equipment, Marketing, Professional fees, Data processing, Telecommunications, and Other expenses. For personnel, BofA describes its importance as due to the company’s success being “heavily dependent on the talents and efforts of highly skilled individuals,” and elaborates that, “Competition for qualified personnel within the financial services industry and from businesses outside the financial services industry is intense.” For service, BofA believes in the importance

of adapting and developing their “products, services and technology to evolving industry standards and consumer preferences [as] there is increasing pressure by competitors to provide products and services on more attractive terms, including higher interest rates on deposits, which may impact our ability to grow revenue and/or effectively compete.” For occupancy and equipment, the company refrains from addressing the account, but it can be inferred that having locations and machinery for customers to physically meet with representatives and physically withdraw cash remains a crucial aspect of banking activity. Like any other business, BofA utilizes marketing to target appropriate demographics and spread brand awareness. As for data processing, professional fees, and other expenses, these likely have the least impact on generating revenue; these primarily facilitate general aspects of the business.

## **VI. RECENT REVENUE AND EXPENSE TREND**

In the past 3 years income has been growing steadily from 17,822 in 2016, 18,232 in 2017, 28,147 in 2018 in billions. This is the result of expenses dropping in the last 3 years by around 1 billion a year. Expenses dropped almost consistently across the board for all expenses except in the case of expenses for data processing, which went up over 200 million in the past 3 years and occupancy which went up around 20 million. I believe this to be the result of the world-wide increase in need of data processing which ultimately makes the rest of the business run more efficiently. In the case of Revenues, they went up by around 8 billion in the last 3 years. This was mainly the result of net interest revenues and total interest revenues. Total interest revenue went up around 16 billion in 3 years and net interest revenue went up around 8 billion. In looking for a reason for these increases in income I looked at the articles written by seekingalpha.com. In reading this article I discovered one of the main reasons is because of Bank

of America's overall effectiveness in operations. Also, under the Trump administration banks of all kinds have seen a great few years. This is the result of the Trump administration decreasing regulations and helping to increase interest rates.

## **VII. NET INCOME V. CASH FLOWS FROM OPERATIONS**

In 2018, Bank of America's net income was reported at \$28,147,000. This is an increase of approximately \$4,000,000 from 2017 and is largely due to a significant increase in interest income for the year. The Cash Flows from Operations, found in the Statement of Cash Flows, was reported to be \$39,520,000 for the year. This difference between net income and cash flows from operations of \$11,373,000 can be attributed to a variety of factors. The adjustments to reconcile net income to net cash provided by operating activities portion of the operating activities section accounts for the majority of the difference. The net changes in Trading and Derivative Instruments, Other Assets, and Accrued Expenses and Other Liabilities roughly cancel out to cause no overall change to net income. Similarly, the Adjustments for the Loans Held-for-Sale also balance out to cause little difference in the cash flows from operating activities and net income. Under the adjustments for reconciliation, the Deferred Income Taxes and Provision for Credit Losses both account for the largest difference adding \$3,041 and \$3,282 respectively to cash flows from operations.

## **VIII. BALANCE SHEET ESTIMATES**

Under the assets section, allowance for loan and lease losses is an estimate of the amount that is expected to be uncollected. There is also an estimate on accumulated depreciation which is used as a valuation method. Given that goodwill is an intangible, there is also an estimable piece



in terms of valuing what, for example, a brand's customer base is worth. Allowance for credit losses is also based on an estimate. Estimates are additionally found wherever an asset can be valued at fair value. The liabilities section includes portions of estimates mainly coming from valuing liability accounts at fair value as well.

## **IX. CLOSING THOUGHTS**

Bank of America's Annual Report is a long and dense document which takes a while to sort through and digest. Although working with a group can have its challenges, our group worked well together and was able to comprehend the information in the 10-K in a more complete manner. This case demonstrated some of the differences in the curriculum compared to how we will be applying it as an actual accountant. Preparing and evaluating 10-K reports are only a small portion of the responsibilities placed upon accountants, however it is an integral part of basic accounting and crucial for the success of businesses.

## **CASE 5: THOMAS SOWELL ON ECONOMIC INEQUALITY**

The United States of America was built on the concept of democracy and formed as a democratic republic in 1787. Since the 18<sup>th</sup> century, America has seen many changes and improvements in way of life largely due to technology. Advances in transportation, communication, and a multitude of other supplemental technologies have all drastically improved the American lifestyle, making accessibility of people, places, and information the norm in 21<sup>st</sup> century life. With so many changes in the modern lifestyle comes even more changes in politics concerning how to deal with these cultural, economic, and technological changes. This case encouraged a thoughtful personal analysis about rising political topics in today's America. As we enter an election year, a large array of topics and propositions are being brought to the public's attention. The case began with an introduction of some current political topics of debate such as the future of the electoral college and a potential universal basic income. We were forced to examine our own beliefs surrounding these topics with no prior research. This opportunity was insightful as we were not given time to really think or over-analyze the topics, but rather give our initial impressions and see what our true viewpoints looked like before looking at any evidence or others' opinions. Although these are issues that will require extensive research, debate, and compromise to find a true solution, it was interesting to see my own initial perspective. We concluded by viewing a video interview of Thomas Sewell to learn more about an economist's perspective of America. Watching this interview gave me a fuller understanding

of America's bipartisan struggles and some of the unconscious reasoning behind different political sentiments.

The interview by Peter Robinson in an episode of the Hoover Institution's "Uncommon Knowledge" shed light on Thomas Sowell's, a renowned American economist, views and analysis of Americans' differing outlooks on policy and outcome. As an American citizen it is crucial to understand the political landscape and be thoughtful about the future that we hope to see. With the upcoming election year, thinking about current issues and potential solutions is more important than ever. Thomas Sowell is the author of two books, *A Conflict of Visions* and *Discrimination and Disparities*. Having grown up in New York and working as a telegram delivery boy, Sowell saw the large disparities between the rich and poor. This sparked his interest and started his fascination with political ideologies and thinking about how America worked. He developed many ideas and constructed two main categories of thought that he believes everyone falls under. As Sowell explained in the interview, *A Conflict of Visions* explains these two unconscious strategies of looking at life: a constrained viewpoint and an unconstrained viewpoint. The constrained viewpoint relies on natural processes such as family, marriage, and hard work rather than government for a basis of understanding the struggles and various outcomes in life. Contrastingly the unconstrained viewpoint asserts that government and institutions have ultimate control, meaning that they have the ability to make a fair and equal society, but also to potentially damage it. In a discussion of Affirmative Action, Sewell explains that the policy harms every party involved and is a failed attempt at the unconstrained vision. All of Sewell's arguments are well-researched and supported, and while I do agree with some, I differ in some views. Hearing an esteemed economist such as Sewell's opinion was very

insightful and has helped me dig deeper into my personal viewpoints and reevaluate how I view politics.

## **CASE 6: REGULATION FAIR DISCLOSURE**

Accounting rules change and update quite frequently. Both the tax and audit sides of accounting have extensive rules and regulations to follow in the United States. For many, it is hard to keep up with every rule and law put into act. In the year 2002, financial scandals took the economy by storm and the fall of WorldCom, Enron, and Tyco International was a shock to all. The widely known Sarbanes Oxley Act (SOX) in 2002 established many new policies and procedures for the American economy following the fallout from these scandals. More structure and control was implemented by the government over publicly traded US companies to ensure that another economy-altering scandal would be unlikely. While concepts such as the Generally Accepted Accounting Principles (GAAP), Auditor Independence, Corporate Accountability, and a wider array of disclosure requirements are widely known, some other very important rules are lesser known to the public. Regulation Fair Disclosure is a rule that was issued by the Securities and Exchange Commission (SEC) in 2000. This case examines what the Regulation Fair Disclosure rule is and why it exists in the manner of explaining it to a client. The case goes on to evaluate a scenario of posting company information to the CEO's personal Facebook page and the effects of Regulation Fair Disclosure this may have, both before and after researching the actual legal ramifications. Going into this case, although I knew that there had to be disclosure rules to prevent biased and unfair trading, I had never heard of Regulation Fair Disclosure. Through working this case, I learned very much about Regulation Fair Disclosure, the relationship between companies, analysts, and investors, and other SEC guidelines about

disclosure in the modern world with social media. The following is a response to the mock-client's requests and questions.

Regulation Fair Disclosure (Reg FD) is a rule enacted by the SEC to ensure fair business practices and discourage insider trading. According to this rule, if any information that is not already public is disclosed to any person outside of the company, that information must immediately be disclosed to the public. While Reg FD applies to most everyone, disclosure of information to spouses and family members is not considered unfair disclosure and therefore does not apply to this rule as they are typically considered "insiders." Information must only be made public if it is shared with any group or individual that is part of the stock market or works in the stock market industry. Public disclosure of the information includes a variety of sources, the most formal and popular being a Form 8-K filing. By filing an 8-K, the company in question produces a document that all parties legally have access to. This reduces any risk of parties arguing that the information was not fully and publicly disclosed. The release of an 8-K is expected within a 24-hour period from the time information was non-publicly disclosed, as opposed to the typical four business day timeline for 8-K reports. Press releases and social media postings of the company are considered public information and therefore do not fall under the rule, but rather are another means of publicly disclosing information.

Reg FD essentially works to equal the playing field of the stock market. Without a rule such as Reg FD, the stock market would be full of illegitimacy and insider trading. The SEC's original intent was to shield companies and their top management from sharing information solely with market analysts. This rule affects your financial reporting actions only if you plan on meeting with analysts or sharing information with certain parties outside of the company to gain insight. If you stick to traditional, fair business practices such as releasing quarterly and annual

reports, having open conference calls and simultaneously releasing the report of the calls, no violation of Reg FD should occur. While some argue that Reg FD, in leveling the playing field between analysts and investors, is a negative force that discourages the role of analysts, others feel that the analyst still has a large value in helping investors organize and understand all of the information that is available. Many typical investors are not adept in analyzing financial information and forecasts, therefore a large avenue of need for analysts is still present.

Without prior research into your question, I feel that these postings on your personal Facebook account does in fact violate Reg FD. Although the information was not directed at certain people or analysts, this information may not be truly public due to variations of Facebook privacy settings, Facebook Friends, and the lack of public awareness of the post. Settings of your account make a big difference in this type of question.

After conducting some research on the topic, I conclude that posting company information on Facebook is not in violation of Reg FD as long as it is accessible to all and investors are alerted of the posting. In 2012, the “Reed Hastings Rule” was created in a decision by the SEC to not charge Reed Hastings, Netflix CEO, with a violation of Reg FD after posting on social media about Netflix’s streaming numbers. From a legal standpoint, when posting things on social media accounts, it is best practice to accompany the post by another form of announcement, ensuring that all investors and interest parties are aware of the information. I would recommend also issuing a Form 8-K to avoid any possible future legal actions.

## **CASE 7: HYPOTHETICAL TAX RESEARCH CASE STUDY**

The rise of YouTube in the past few years has caused a surge of rich children and self-employed vloggers and streamers. In the new media age, there were many initial questions on how to handle sponsorship income and children's income. In this case, we were tasked with considering several possible tax filing issues regarding child dependency and dependent income. In the scenario provided, a CEO of a large company, who we have been filing his personal tax returns for the last several years, has recently informed us that his daughter, who he has claimed as a dependent, makes between \$10,000-\$15,000 a month as a YouTube star for the last four years. In the case, we were asked to determine if we have committed any errors in the previous years' tax returns. Important issues to consider during this case included the qualification of a dependent on an individual's tax return, the filing of a tax return for individuals who are claimed as a dependent by others, and the many laws and regulations regarding thresholds for tax returns. These include self-employment tax, kiddie tax, earned and unearned income levels, and others. In order to solve this case, working in pairs, we had to research different tax laws and work together to formulate a background on tax law that we then applied to find a solution. The biggest challenge was answering the essential question: Was there errors in the CEO's previous filed tax returns? After answering this question (we claimed that his individual tax return was in fact accurate), we then had to decide what other errors, if any, had been committed. We finally decided that the absence of the daughter's individual tax returns for the last four years. As she has been making above the minimum threshold for not only self-employment income tax, but



also earned and unearned income tax, it is necessary that she files her own tax returns. Below is the correspondence to the partners of the tax firm and to the CEO.

### **I. Memo to Partners**

Partners,

This afternoon I met with David Smith and learned of his daughter Emma's YouTube success over the past four years. As you know, we have been completing and filing his personal tax return for the last several years. Being unaware of Emma's self-employment, I have failed to report her income, which exceeds her standard deduction for 2019 of \$12,200, on any personal tax return.

Emma makes \$12,500 per month on average, for an annual income of \$150,000, not including other income in the form of packages from potential sponsors. The total income per year includes the value of the "gifts" and packages as stated by the donors. This number is presumably placed at a high value, so the vendors may book higher expenses to reduce their organization's net income. She holds this income in a Money Market CD fund, earning 3% interest. This would result in approximately \$36,500 over the past four years in interest revenue, which is subject to the Kiddie Tax. The Kiddie Tax is applicable to children under 17 with unearned income above \$2,200. Because Emma earns her income through YouTube and is not registered by an employer, she is considered self-employed. This makes her subject to self-employment taxes of 12.4% on \$132,900 (for 2019) of her income for Social Security and 2.9% for Medicare on the full income amount. Deductions are available for self-employment, but this may not cover all of the tax expense.

Emma is still considered a qualifying child, because she is not using her income for her own support and meets the age, relationship, and residence requirements. This does not have any

consequences for Mr. Smith, as his Child Tax Credit is not applicable in either scenario because his income is well about the phaseout threshold.

We will work diligently to resolve these discrepancies promptly and ensure compliance and full disclosure going forward. Mr. Smith has been made aware of the consequences and the responsibility to pay the owed taxes plus interest. We can convene to discuss this issue after the weekend.

Thank you,

Rachel Sheffield

## **II. Memo to CEO**

Mr. Smith,

Following our conversation from this afternoon and learning about your daughter Emma's income, I have concluded that there has been an error in the filing of your family's tax returns for the last several years. While your individual tax return is not affected by your daughter's income, Emma's high income is subject to several different income taxes and she is responsible for filing her own individual tax return, as her income is well above the \$12,200 standard deduction. Being that she is only 13, the responsibility to file her tax return falls on those who claim her as a dependent, which would be you. Having omitted this information in the past, any consequences regarding your daughter's tax evasion would fall on you. However, we are committed to serving you and will more than gladly incorporate filing her tax returns into our business agreement. We will need access to all of her earnings and financial information to do this.

Additionally, we will have to work diligently to calculate the taxes Emma owes from the past four years and the interest owed on these delayed tax payments. For future reference, please be upfront with any additional information regarding the financials of you and your family.

Thank you for your cooperation and please let me know if you have any questions regarding the situation at hand.

Thank you,

Rachel Sheffield

## **CASE 8: BLOCKCHAIN SIMULATION**

Today's technology is the fastest evolving innovation that the world has ever seen. The rise of computers and modern technology has led to an exponential growth in introductions of new products, services, and overall ways of life. With the global adoption of smartphones, laptops, smart watches, credit cards and online payments, it is hard to picture almost any aspect of daily life without the use of one form of technology or another. One new technology that is currently trying to revolutionize business processes is a concept called Blockchain. Blockchain made its popular debut in the form of cryptocurrency such as "Bitcoin." Blockchain technology, however, has many more applications to business world than just cryptocurrency.

In this case we explored blockchain through the lens of business bookkeeping. The case created a real-life simulation of blockchain that was essentially a modified game of live-action Monopoly. While the rules were difficult to comprehend at first, it was a valuable experience and strongly simulated the blockchain system. I learned that because blockchain is a new and innovative technology, it can cause some problems and confusion when implementing it into business practices. Despite the initial confusion, this activity and case will be helpful in my future career as I will be able to think critically about blockchain and all of its basic parts. It is unsure among the business world if blockchain will shift to a more critical role in financial activity or if it will remain a complex side-technology on the edge of the main financial world. As accountants, it is critical that we stay knowledgeable and alert to all of the new technologies that could potentially disrupt current financial practices

At its core, blockchain is a high-security computerized ledger technology. One of the key features of blockchain technology is the collaborative and flexible nature. Multiple users can record transactions with their public keys to verify the transaction, which is known as the distributed system (Crook). Blockchain is typically thought of as a storage technology for financial information but in reality, the technology is capable of storing and managing any type of data. Uses for blockchain other than financial information may include contracts, business management systems, and even digital voting (Crook). Because blockchain is a decentralized technology, meaning that there is no single central authority, there is room for error in the technology that could have drastic negative effects on the economy should blockchain arise as the basis for the global economy. It is very unlikely that blockchain will become the center of the global economy due to the high-security nature of the system yet lack of control over what goes on. Though security is critical in the modern cyber-filled world, controls and documentation are equally as important. With extremely limited access to the general ledgers, a blockchain system would be near impossible to audit and maintain. Some argue that because it is a ledger with all information in one place audits would be simple, but the unknown variables and reliance on pure technology would likely cause major issues. Blockchain, however, is still a new technology and with time for improvement does have the potential to shift the way we interact with the global economy.

In our simulation of blockchain, four “states” containing multiple business managers interacted and participated both in in-state transactions and interstate commerce. Each person in the simulation was assigned a unique security key to act as an identifier in the “cloud” (the main general ledger keeping track of all transactions). My role was a business manager in state three. As we moved along the monopoly board and purchased property, we had to approach the main

government entity to request the purchase. Here we were assigned the title to half of one property, while the government retained control of the other half until another prospective buyer came along. Once the deed to the property was obtained, a “runner” was needed to record the transaction. The runners record the security key of the player making the payment and receiving the payment, as well as the state number, the property name, turn number (“date”), and amount of the transaction. It was each player’s responsibility to keep track of their personal financial status and all of their transactions, as the cloud was located in a secret location unknown to the rest of the players. As in normal monopoly, rent was owed when you landed on owned property. Runners were required to record these transactions for the cloud as well. A group of auditors were scattered throughout the simulation to ensure that all players were recording their transactions correctly and following the rules of the simulation. In my role as a business manager, it was important to keep precise record of each transaction that I was involved in and all of the properties that I owned. As a business manager, I was able to increase my overall equity of my business without taking a loss, which could be considered a success in the first period of operations. Below are the financial statements of my “business” after the “first period of operations.” From this experience I feel I gained valuable insight into blockchain and the realities that the business world would face should the economy turn to a blockchain-based system.

**Figure 8-1: Rachel Sheffield, Inc. Balance Sheet**

Rachel Sheffield, Inc.  
Balance Sheet  
February 26, 2020

Assets	
Cash	987
Properties	740
Buildings	0
Total Assets	<u>1,727</u>
Liabilities	0
Stockholders' Equity	
Common Stock	1,500
Retained Earnings	227
Total Stockholders' Equity	1,727
Total Liabilities and Stockholders' Equity	<u>1,727</u>

**Figure 8-2: Rachel Sheffield, Inc. Income Statement**

Rachel Sheffield, Inc.  
Income Statement  
For the First Period of Operations

Revenues	262
Expenses	(35)
Net Income	<u>227</u>



**Figure 8-2: Rachel Sheffield, Inc. Statement of Retained Earnings**

Rachel Sheffield, Inc.  
Statement of Retained Earnings  
For the First Period of Operations

Beginning Retained Earnings	0
Net Income	227
Dividends	<u>0</u>
Ending Retained Earnings	<u>227</u>

## **CASE 9: INTERVIEW WITH KIMBERLY J. SMITH**

The path to an established and successful career is something that people search tirelessly for in order to build a good life for themselves and their loved ones. While some people find purpose in their family and personal lives, many people also find purpose in their work. Speaking with successful and respected people is often a good reminder that hard work and perseverance is often the key to long-term success, as things are not simply handed to us, nor does life always work out as we may plan. During the tremulous times of the COVID-19 outbreak, the future state of the economy and job market is very uncertain and unnerving. Young people including recent and soon-to-be college graduates are struggling to grapple with the job hunt combined with the general anxiety and fear of the current situation. While pre-existing interview and meeting dates have moved to online platforms to adhere to social distancing guidelines, many candidates are struggling to have applications even reviewed due to the vast number of layoffs and uncertainty of the longevity of the economic consequences of the pandemic. In this case we were tasked to conduct a virtual interview with someone we view as successful and established in their career. It is increasingly important in these times to stay (safely) connected with those around us and learn from people we love and respect. This interview reminded me that no career path or journey is perfect or without bumps in the road. It is critical to remain positive and forward-thinking, rather than get too caught up in the current disastrous state of the world. I learned that work-life balance is increasingly important as you get

further into your professional life and that flexibility can be critical in navigating the beginning stages of a career.

Kimberly J. Smith is a Creative Director for Loomis, a successful advertising agency, in Dallas, Texas. From growing up in Colorado as a shy tech-theater kid to becoming a dedicated leader, Kim worked hard to get to where she is today. During her time at Colorado State, Kim started out as a theatre major, but quickly realized after the first semester that what she thought she wanted was not where she should be. Her decision to switch into a communications major with an emphasis on TV and radio due to her passion for arts and media but need for something practical, served her well. While her first job out of school as a receptionist gave Kim her first “real-world” experience, the situation was not a healthy work environment and elected to leave shortly after getting a promotion. Though it is tough to leave the certainty of a paycheck, Kim’s next career opportunity led to meeting her husband, Steve, proving to her that everything happens for a reason. This new job was another secretary position, but this time at a marketing agency, in which she quickly worked her way up to the creative department and earned a spot as Junior Writer. Kim has always been extremely right-brained and creative, demonstrated by her love for theatre, violin and piano, and writing. Once in the writer position, the combination of Kim’s creativity and her communications degree set her up for immense success for the rest of her career. Amidst her success and frequent transitions to different agencies, Kim turned a planned six-week maternity leave into an eight year leave to be a stay at home mom for her two boys. During this time, she performed some free-lance marketing work and used her passion for writing to become a published children’s novelist. Outside of her job, Kim’s family is her top priority. Juggling kids and a busy, but supportive and helpful, husband with her job was tough, but finding a dedicated nanny helped relieve pressure and enhanced both her work and time with

her family. Similar to modern day accounting, marketing is a client-based profession and requires strong dedication and commitment. The hardest part of her job is wanting to give her family her full focus, but still constantly thinking of the client's needs and the ever-changing business environment while she is at home. Kim works very hard, but also prioritizes rewarding herself and taking much needed vacation time with her family. The Smith family has taken many vacations ranging from visiting family in Washington, to exploring Europe, to relaxing in Mexico. Out of all of her adventures, Kim's top vacation memory is driving to South Padre Island with the family. The forced time together created some of the best family time, as growing boys have many other priorities, but she learned that they really do love family time when it comes down to it. Her boys, Harrison and Ben, are what she is most proud of. In her words, "although there are things that I would've done different given a redo, they both have good hearts and that is what matters." Watching her boys grow up makes her hopeful for the future and believe that the biggest challenge for our generation is for us to step up to the plate and gain control of our future. In the current state of the world, it is crucial to rebuild the economy and a better, stronger future for us and those after us. This will take dedication and a shift in perspective, as Kim believes that the biggest challenge for her generation is giving up that control and letting the younger generation take the wheel. Being forward-thinking and in touch with society's changing needs in a world with constantly-evolving technology is critical to long term success. Kim Smith is a truly inspiring female role model and excellent reminder that perseverance, confidence, and resilience go a long way in the working world and life itself.

## **CASE 10: INTERNSHIP INTERVIEW WITH OLIVIA DUKE**

The current state of the world is unprecedented. Taking the plunge into a state of quarantine and widespread closures was daunting for everyone. Families, businesses, communities, and countries are all doing their best to adapt and make the best of the situation at hand. Everyone's world has been altered in some way or another, and even though we are physically isolated, there is a strong sense of unity that has stemmed from the common disruption, fear, and uncertainty. Among the numerous cancellations due to COVID-19, office visits for internship offers were included. Though this brought many feelings of confusion and anxiety about making such an important decision, it has also allowed many personal and professional connections to sprout and flourish. The recruiting process has adapted quickly to the current situation and moved to flexible styles of communication. Emails, phone calls, texts, and Skype calls are abundant from a variety of different professionals. From first year associates to partners, everyone has been so welcoming and open by sharing their own experiences and answering questions. Firms are working with applicants to specialize the process for each individual based on their preferences. They understand that people are coping with the pandemic in a variety of ways, and everyone has different needs as we navigate through this process virtually. In this case we were asked to conduct an interview with a student who completed their internship this past Winter- January through March. I conducted my interview with Olivia Duke, a fellow Ole Miss student with a passion for tax. I found this interview extremely insightful

about what the internship itself entails, and very helpful in making the big decision about where to do my own internship.

Olivia Duke completed her internship with KPMG in the Dallas office, with a rotation in Chicago. Olivia was an intern in the International Tax group which she very much enjoyed. Starting out college as an accountancy and international studies double-major, she was thrilled to find her niche that allows her to integrate both of her interests. In the beginning of the internship Olivia went through an adjustment period but quickly got used to her morning routine, commute, and powering through the long work days. The days in which she was assigned engaging projects went by the fastest, but the days spent researching and watching training videos were made better by taking breaks to stretch and have coffee with her peers. Olivia's experience was enhanced greatly by her connection with her peers and strong level of support. From meeting her fellow interns the first week at Lakehouse, KPMG's training retreat, to having coffee breaks and after-work happy hours, Olivia's peers made her feel comfortable and brought an element of fun to her days at the office. While the work itself results in a strong learning curve for new hires, Olivia explained that she had many resources assigned to her to give her as much support as needed. She expressed that there were definitely days that she felt like she had no idea what she was doing, but she never felt discouraged due to the support of those around her. Asking questions is not only helpful, but necessary, to be successful as an intern. She found that the buddies, coaches, associates, and managers assigned to you are not bothered by questions, but rather are excited to help you learn. Realizing that it is part of their job description to teach the younger people made it much less daunting to ask questions. Getting over the initial hump of the new job set Olivia into a great stride of learning and success within her international tax group. The size

of her engagement groups varied greatly, allowing her to experience different dynamics within the firm and observe different work styles.

In regard to the recruiting and decision process, Olivia recommended keeping an open mind through it all. It is easy to get an idea stuck in your head and have tunnel vision for one firm, but it is very important to properly weigh all of your options. This will prevent you from ever having any doubts or regret about your final decision. Her top advice to a new intern would be to “say yes to everything.” From lunches to happy hours to new projects, saying yes can drastically improve the internship experience and set you up for long term success at the firm. Though it can get tiresome, Olivia expressed that it is well worth it to build these strong relationships that you may realistically have for a long time. While she very much agrees with the main advice you typically hear such as taking diligent notes about everything, asking lots of questions, and being available to work as much as needed, she believes that saying yes to as much as possible is the key to setting yourself up to success. It is important to prioritize obligations but not limit yourself in doing so. The internship experience is invaluable in the process of becoming a successful young professional in public accounting. Not only does it teach you basic skills for a career in accounting, but it is the first stepping stone into establishing a strong foundation and network in the professional world of accounting.

## **CASE 11: ECONOMIC EFFECTS OF COVID-19**

The American economy is a complex yet idealized machine. Though there are many different views on the best way to manage and govern the economy in the United States, it is nevertheless one of the great pillars of American freedom and basic principles. Starting as a country for dreamers, the ‘American Dream’ has become a globally-known concept. Many have embraced the Dream and built prosperous lives from it, but many have also struggled to make ends meet for their families in the pursuit. Aside from major events such as the Great Depression and other recessions such as in 2001 and 2008, the American economy is relatively strong and stable. The current 2020 coronavirus pandemic has caused much turmoil for the global economy. In the United States, there is much debate on how to move forward and balance public and economic health. In this case, we were instructed to watch and read a series of videos and articles pertaining to the 2008 financial crisis. The information provided focused heavily on the effect that Wall Street had on the crisis and the intertwined politics of the matter. I learned so much not only about the recession itself, but also all of the key factors that led to the economic demise. Being only nine years old when the downfall happened, I was oblivious to the national and global financial troubles. Though the cause of the recession in 2008 is vastly different than the pandemic-caused troubles of 2020, there are still many lessons to be learned surrounding reform and how to come out quickly when looking back at 2008. Learning all of the details about such an impactful financial event is extremely important as I continue my path to the financial services field in a time of financial and political distress in the United States.



As a college student, I am in the progress of forming my own educated political opinions as I continue to grow and become learn more on the vast number of issues. I have always believed, to some extent, in the laissez faire concept of economics and capitalism. After absorbing the information presented in the case, I fully believe that a healthy amount of government regulation is necessary in modern day society. With new technologies constantly emerging, there are increasing opportunities to commit fraud, hacking, and other unethical behaviors. Today's concerns mostly surround the idea of personal information privacy online, which has the potential to cause disruption in an array of socio-economic and political affairs. If new technologies are not closely monitored, there is potential for another great disruption of financial stability. Transparency of corporations and the government is critical in maintaining a good balance of regulation and deregulation of the economy. The current overlap between wall street, corporations, politics, and academia is one that is often shielded from the public in a variety of ways. Lack of disclosure and omittance of this overlap is prominent, despite the plea for transparency and independence that arose after the 2001 financial events. Individuals in these positions have diversified themselves by taking board positions, lobbying, and claiming themselves as scholars, though they may have ulterior motives (Inside Job). Though this may not explicitly violate independence rules set by the SEC, the secretive corroboration between these sectors is largely looked down upon when it is uncovered. Washington D.C. has become largely subject to 'Crony Capitalism' due to this overlap of interests (Cost). Going forward from the current Coronavirus Recession, slightly different issues may take the spotlight, as public health and the health of the economy must be balanced for the overall well-being of the United States.

The content of the source materials in this case also forced me to think about my roles both as a citizen and future accountant in very different ways. As an American citizen, I feel that it is

extremely important to stay informed about not only the state of the economy, but aware of potential consequences of financial decisions. Making well-informed decisions about finances is something many people may overlook in times of distress, doing all that they can to get by. It is all too common to get carried away with a current prospect of large sums of money without thinking too much into future downfalls or consequences. Though I plan to work in tax rather than audit, I realize that as an accountant there is a large responsibility to act in the best interest of the public, with strong integrity and ethics. Integrity and ethics are concepts that are heavily preached in many of my courses. I always have placed personal importance on these lessons, but I now realize the true national gravity of having strong ethics when working in financial services. The procedures, policies, and professionals working in the public accounting sector of financial services have become more ethical in recent years. Having to earn back the trust of the American public and prevent another ‘scandal’-caused recession, accountants are trusted to keep corporations in line with the standards set in the Sarbanes-Oxley Act and provide a sense of transparency to the public.

The current global pandemic, COVID-19, became full force in the United States in mid-March. Aside from the health concerns, the consequences of the virus have also become a point of daily discussion for politicians, business-owners, workers, and virtually every citizen. Widespread closures of all “non-essential” businesses have led to an enormous surge of unemployment and financial instability. While some fear the virus much more than the economic impact, others are more concerned with the lasting economic downfall than the virus itself. The economic impact is already large and will continue to worsen in the coming months. The circumstances make the total economic impact largely unpredictable, as some predict closures and cancellations to continue through 2021, while others predict a return to ‘normal’ life in late

summer of 2020. No matter when the economy begins to rebuild, it will take government assistance to get back to an operable economic state without causing a frenzy. This financial crisis differs from those in the past because it is a delicate balance of public health and economic health. Striking the nation in a presidential election year, the virus will also have lasting and significant political implications. From completely changing the way that candidates campaign to potentially disrupting or changing the act of voting itself, the results of the 2020 election will likely be disputed for the remainder of history, no matter the outcome. Though the country has largely united in the movement to stay home, the political divide will continue to worsen as the government tries to reopen the country and rebuild back to the strong pre-virus economy. The recent financial history of the United States displays the consequences of Crony Capitalism, conflicts of interest, and a lack of ethics among key players in the economy. Though the COVID-19 recession is different in many ways, it is important to keep the past crises in mind as we try to rebuild our nation and find the right balance of government interference. Though a horrible tragedy and an event unlike any other in our lifetime, post-pandemic times will be a chance to rebuild and create a legacy of strength and resilience amidst unprecedented and uncertain times.

## Honors Code

“On my honor, I pledge that I have neither given, received, nor witnessed any unauthorized help on this  
EXPLORATION OF ACCOUNTING TOPICS THESIS”

Signature: 

## BIBLIOGRAPHY

“At the Heart of Texas: Cities’ Industry Clusters Drive Growth.” *Federal Reserve Bank of Dallas*,

<https://www.dallasfed.org/research/heart/dallas/>.

Bloomberg. “Can Elon Musk Tweet That? The SEC May Have an Opinion.” *Fortune*, Fortune, 8

Aug. 2018, [fortune.com/2018/08/08/what-is-reed-hastings-rule/](https://fortune.com/2018/08/08/what-is-reed-hastings-rule/).

Bragg, Steven. “Regulation Fair Disclosure.” *AccountingTools*, AccountingTools, 20 Oct. 2018,

[www.accountingtools.com/articles/2017/5/9/regulation-fair-disclosure](http://www.accountingtools.com/articles/2017/5/9/regulation-fair-disclosure).

“Brexit Has Its Risks. But Staying in the EU Is Now Unthinkable.” *The Spectator*, 9 Sept. 2019,

<https://www.spectator.co.uk/2019/09/brexit-has-its-risks-but-staying-in-the-eu-is-now-unthinkable/>.

“Brexit: All You Need to Know about the UK Leaving the EU.” *BBC News*, BBC, 3 Oct. 2019,

<https://www.bbc.com/news/uk-politics-32810887>.

“Brexit: Boris Johnson Will Send Extension Letter - Court Document.” *BBC News*, BBC, 4 Oct.

2019, <https://www.bbc.com/news/uk-politics-49936352>.

“Britain Stronger In Europe: Get the Facts.” *Britain Stronger In Europe*, The In Campaign Ltd.,

[https://www.strongerin.co.uk/get\\_the\\_facts](https://www.strongerin.co.uk/get_the_facts).

“Charlotte Area Transit System.” *City of Charlotte Government*,

<https://charlottenc.gov/cats/Pages/default.aspx>.

Cohan, William D. “‘We Don’t Want Him to Have the Self-Satisfaction’: Why Wall Street Hates the

Trump Economy.” *Vanity Fair*, Condé Nast, 5 July 2019,

[www.vanityfair.com/news/2018/07/why-wall-street-hates-the-trump-economy](http://www.vanityfair.com/news/2018/07/why-wall-street-hates-the-trump-economy).

Cost, Jay. “What Is Crony Capitalism?” *YouTube*, PragerU, 22 Feb. 2016,

[www.youtube.com/watch?v=4DxXHh-p-O4](https://www.youtube.com/watch?v=4DxXHh-p-O4).

“Dallas Fort Worth Healthcare.” *Destination DFW: Dallas Relocation Guide*,  
<http://www.destinationdfw.com/Dallas-Fort-Worth-Healthcare/>.

Durkin, Martin, director. *Brexit: The Movie*. *Brexit: The Movie*, Wag TV, 12 May 2016.

“The EU in Brief.” *European Union*, 7 Oct. 2019, [https://europa.eu/european-union/about-eu/eu-in-brief\\_en](https://europa.eu/european-union/about-eu/eu-in-brief_en).

“EU Schedules Brexit Summit for October 17.” *Reuters*, Thomson Reuters, 3 Oct. 2018,  
<https://uk.reuters.com/article/uk-britain-eu-summit/eu-schedules-brexit-summit-for-october-17-idUKKCN1MD1T0>.

“Fair Disclosure, Regulation FD.” *U.S. Securities and Exchange Commission*, 30 Aug. 2004,  
[www.sec.gov/fast-answers/answers-regfdhtm.html](http://www.sec.gov/fast-answers/answers-regfdhtm.html).

“Federal Deposit Insurance Corporation.” *FDIC*, <https://www.fdic.gov/>.  
<https://www.sec.gov/ix?doc=/Archives/edgar/data/70858/000007085819000012/bac-1231201810xk.htm>.

Ferguson, Charles H., director. *Inside Job*. Sony Pictures Classics, 2010.

“How Safe Is Charlotte, North Carolina?” *U.S. News & World Report*,  
<https://realestate.usnews.com/places/north-carolina/charlotte/crime>.

“How Safe Is Dallas-Fort Worth, Texas?” *U.S. News & World Report*,  
<https://realestate.usnews.com/places/texas/dallas-fort-worth/crime>.

Kenton, Will. “Regulation Fair Disclosure (Reg FD).” *Investopedia*, Investopedia, 4 Dec. 2019,  
[www.investopedia.com/terms/r/regulationfd.asp](http://www.investopedia.com/terms/r/regulationfd.asp).

“Key Industries in North Carolina: EDPNC.” *Economic Development Partnership of North Carolina*, <https://edpnc.com/industries/>.

Lomax, Alyce. “Pop the Champagne! RegFD Turns 10.” *The Motley Fool*, The Motley Fool, 11 Aug. 2010, [www.fool.com/investing/general/2010/08/11/pop-the-champagne-regfd-turns-10.aspx](http://www.fool.com/investing/general/2010/08/11/pop-the-champagne-regfd-turns-10.aspx).

Mueller, Benjamin. “What Is Brexit? What Does 'No-Deal' Mean?” *The New York Times*, The New York Times, 24 Jan. 2019, <https://www.nytimes.com/interactive/2019/world/europe/what-is-brexit.html>.

Portillo, Ely. “Rent in Charlotte Has Hit a New High. Here's the Average, and Where It Costs the Most.” *Charlotte Observer*, <https://www.charlotteobserver.com/news/business/article204781324.html>.

“The Pros and Cons of Brexit.” *The Week UK*, <https://www.theweek.co.uk/brexit-0>.

Smith, David. “Confessions of a Wall Street Analyst.” *The Motley Fool*, The Motley Fool, 27 Feb. 2007, [www.fool.com/investing/general/2007/02/27/confessions-of-a-wall-street-analyst.aspx](http://www.fool.com/investing/general/2007/02/27/confessions-of-a-wall-street-analyst.aspx).

Smith, Naomi. “What Are Trading Securities?” *Budgeting Money*, 21 Nov. 2017, <https://budgeting.thenest.com/trading-securities-24976.html>.

Sommar, Jessica. “GRUBMAN GRILLED – SOLLY ANALYST BUMBLES BEFORE LAWMAKERS.” *New York Post*, New York Post, 9 July 2002, [nypost.com/2002/07/09/grubman-grilled-solly-analyst-bumbles-before-lawmakers/](http://nypost.com/2002/07/09/grubman-grilled-solly-analyst-bumbles-before-lawmakers/).

Salmon, Felix. “Recipe for Disaster: The Formula That Killed Wall Street.” *Wired*, Conde Nast, 23 Feb. 2009, [www.wired.com/2009/02/wp-quant/](http://www.wired.com/2009/02/wp-quant/).

Taibbi, Matt. “The Great American Bubble Machine.” *Rolling Stone*, Rolling Stone, 5 Apr. 2010, [www.rollingstone.com/politics/politics-news/the-great-american-bubble-machine-195229/](http://www.rollingstone.com/politics/politics-news/the-great-american-bubble-machine-195229/).

“US GAAP Disclosure List 2017.” *Federal Funds Purchased and Securities Sold under Agreements to Repurchase / Deposit Based Operations / US GAAP*,

<https://www.readyratios.com/usgaap/StatementOfFinancialPositionUnclassified-DepositBasedOperations/5329.html>.

Young, Stephen. "Dallas Rents Aren't Exactly Cheap, But They're Ticking Up Slowly, New Report Says." *Dallas Observer*, 17 Sept. 2019, <https://www.dallasobserver.com/news/dallas-rental-market-update-11755689>.