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INSTRUCTORS' NOTES**

Editor

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TEACHING NOTE: DONG-A PHARMACEUTICAL, STRATEGIC CHANGE, AND THREATS

Yoojin Shim, Ewha Womans University
Sookang Kim, Ewha Womans University
Seungho Choi, Ewha Womans University

CASE SYNOPSIS

This case study examines the Korean pharmaceutical industry, with a focus on Dong-A Pharmaceuticals. South Korea's pharmaceutical market accounts for approximately 2% of global pharmaceutical sales. With increasing insurance coverage and an aging population, the Korean pharmaceutical market will grow by approximately 6.5% annually until 2015. Dong-A has been a market leader since its foundation in 1932. In contrast to other Korean pharmaceutical firms, which primarily rely on generic drugs, Dong-A invests in R&D, which has yielded 3 successful original drugs that were developed in-house. In addition, Dong-A has made substantial efforts to expand its business into global markets, with success in Cambodia. However, the Korean government introduced a drug price reduction policy in 2011 that has resulted in an overall price reduction for ETC drugs and initiated a gradual decline in the price gap between original drugs and their generic analogs. Due to this change, Dong-A must address both decreased ETC revenues and a fading pricing advantage among generic drugs, which might increase competition from original drugs manufactured by foreign firms. Moreover, the new pricing policy could ultimately change the entire Korean pharmaceutical landscape. To sustain its strong market position, Dong-A must respond to this new policy.

TEACHING OBJECTIVES AND ASSIGNED QUESTIONS

This case study was prepared to enhance readers' overall knowledge of the pharmaceutical industry. This case describes the characteristics of the pharmaceutical industry in terms of drug categories, the role of government and major Korean pharmaceutical firms. Focusing on Dong-A pharmaceuticals, the case analyzes Dong-A's history, product lines, global expansion, and success factors. In addition, this case explains the recent change in the ETC drug pricing policy. We describe the purpose and effects of the new policy on the Korean pharmaceutical industry. The following three assignment questions can be discussed to achieve the learning objectives for this case:

- (1) What are Dong-A's strengths in the Korean pharmaceutical industry?
- (2) How does Dong-A sustain its core strengths?
- (3) How does the new drug price reduction policy affect the Korean pharmaceutical industry and Dong-A in particular?
- (4) How should Dong-A respond to the new price policy?

SECURITIZING AN ATHLETE'S FUTURE INCOME: THE VERNON DAVIS TRACKING STOCK

Rakesh Duggal, Southeastern Louisiana University

CASE DESCRIPTION

This case deals with evaluating an uncommon stock offering that promises a return based on an athlete's future income. The case has a difficulty level of four, appropriate for senior level. The case is designed to be taught in three class hours and is expected to require approximately six hours of outside preparation by students.

CASE SYNOPSIS

Financial intermediaries perform a valuable task of repackaging risk-return attributes of investment options. High-profile athletes expecting a huge payoff in future may be interested in giving up a portion of their future income in return for a payment now. Sports fans and investors, on the other hand, may be interested in buying stock in an athlete in anticipation of an attractive payoff in the future. Fantex, Inc, a financial intermediary, is proposing to sell stock in Vernon Davis, a 49ers tight end, in return for a share in Davis's future income.

INSTRUCTORS' NOTES

This case is based on a real initial public offering, however, some details have been excluded to focus on the basic valuation concepts. The case tests whether students are able to apply the discounted cash flow approach to value an uncommon stock offering.

Stacey's Questions

In general, Stacey's questions deal with the following:

1. What valuation technique should be used?
2. What are the cash flows to shareholders if the discounted cash flow technique is to be used?
3. For how many years should the cash flows be forecasted?
4. What discount rate should be used?

Suggested Answers

1. The discounted cash flow approach should be used. The comparative valuation approach cannot be used as the benchmark valuation multiples (i.e. price to cash flow) are not provided.
- 2 & 3. The following assumptions may be made to simplify the calculations:
 - Today is December 31st, 2013.
 - Cash flows will be received at the end of each calendar year.
 - Fantex does not owe any corporate taxes on its cash flow from its 10% ownership in the Davis brand.

PATCH – AOL’S HYPERLOCAL EXPERIMENT INSTRUCTORS’ NOTES

Alan Eisner, Pace University
Helaine Korn, Zicklin School of Business
Casey Frid, Pace University
Dev Das, Pace University

CASE DESCRIPTION

The primary subject matter of this case concerns corporate growth strategies and the importance of analyzing the business models for growth. This case can be targeted as a strategy case, specifically a module dealing with corporate level strategy. After completing this case, students should recognize corporate growth strategies and the interconnection between strategic goals and market conditions, how scale impacts the effectiveness of an initiative, and the impact of ignoring scale effects, positive or negative, in strategic management.

The case of AOL – Patch shows the challenges of growing a hyperlocal news web operation in a changing market landscape. AOL acquired Patch in 2009 and, within 3 years, expanded the operation to more than 800 sites nationwide without proving the profitability of the business model at any level. At the corporate level, AOL invested up to \$300 million into the expansion of the Patch operation during this time period, with most of the expenses related to human resource acquisition. During this time, the hyperlocal news marketplace experienced intense change, mostly attributed to the decline of print media and the emergence of new distributors of local news. By the end of the case, after multiple years without profitability, the Patch operation was forced to reduce in size, laying off many workers and shutting down 30% of the Patch sites.

CASE SYNOPSIS

Patch was AOL’s attempt to capitalize on the changing local news market in the U.S. The decline of print media has caused many of the local daily and weekly publications to close their doors, leaving an opportunity for digital methods of news dissemination to step in and provide the service to communities. Despite failed attempts from established news organizations such as the New York Post and Washington Post to operate hyperlocal news networks profitably, AOL remained committed to Patch and invested heavily. The primary driver attracting these high-powered organizations to local news is the estimated \$20 billion opportunity in local market advertising throughout the US. The traditional business model for a hyperlocal operation is buoyed by advertising revenue. The outstanding question is how to find harmony between the operational model and the business model required to fund it. On the surface, it doesn’t seem that the revenue generated by standard online advertising mechanisms is sufficient to support continued operations of small independent sites or large regional or national networks of sites.

WHITE COUNTY, POWELL VALLEY, AND THE CASE OF THE MISGUIDED CHIEF EXECUTIVE OFFICER

TEACHING NOTE

Raymond J Elson, Valdosta State University
Kelly F Gamble, Valdosta State University

CASE DESCRIPTION

The primary subject matter of this case is ethical failures resulting in fraudulent activities in two health care organizations. The case is appropriate for a senior or graduate level government and nonprofit accounting course. It could also be used in the nonprofit portion of the advanced accounting class, or as one of several cases in an advanced auditing class. The case is designed to be taught in one class hour and is expected to require approximately three hours of outside preparation by students. The events described in this case are based on a real world situation as reported in various newspaper sources.

CASE SYNOPSIS

The case concerns a charismatic and energetic chief executive officer who was employed at health care facilities in Indiana and Wyoming for approximately six years and six months respectively. With the aid of a childhood friend and a related entity, Plake and Associates, he created fraudulent billing schemes in which the hospitals were billed for approximately \$1.7million. The fees were paid for the purpose of recruiting physicians and other staff. However, the two men shared the fees on a 75%/25% basis without performing any services. The case demonstrates the challenges faced by community-based health care systems when authority is delegated to the chief executive officer, and the organization's corporate governance structure (i.e., board of directors) is overly reliant on the integrity of that individual.

INSTRUCTORS' NOTES

Recommendations for Teaching Approaches

The objective of the case is to help students understand the importance of corporate governance in nonprofit organizations; especially community-based health care systems. This case is flexible and could be used in a number of courses at the senior or graduate level. For instance, it is ideal for a discrete government and nonprofit accounting class or the nonprofit portion of the advanced accounting class. It could also be used as one of the cases in a graduate auditing course to supplement a discussion on corporate governance. Students may need to supplement classroom discussions by researching the elements of the fraud triangle, and the guiding principles in the revised (2013) COSO internal control framework.

Depending on the course objective, the case could be used in a health care class with the discussion questions modified accordingly.

INSTRUCTOR'S MANUAL: A MATTER OF LIFE AND DEATH

Janis Warner, Sam Houston State University
Irfan Ahmed, Sam Houston State University

CASE SYNOPSIS

This case deals with planning a social media campaign in a resource-strapped, non-profit setting. Courtney Carroll, a teenager living in The Woodlands, Texas, had been diagnosed with IgA Nephropathy, a complex blood disease that affects the kidneys and can cause renal failure over time. As of June 2012, Courtney was in need of a living kidney donor. Tami Carroll, Courtney's mother, faced the task of expediting the search for a living kidney donor to allow Courtney to live a healthy life, and before Courtney's insurance coverage ran out in a few years. Tami had been planning to harness the power of social media in her efforts, and had contacted Dr. J.W., a professor of business, to help her. Together, Tami Carroll and Dr. J.W had to develop a social media strategy and plan to help find a living kidney donor for Courtney.

CASE OBJECTIVES AND USE

The purpose of this case is to provide a challenging, hands-on learning opportunity for marketing/advertising students to develop a social media campaign for a critical yet resource-strapped not-for profit cause. The case can be used in undergraduate or graduate level courses on advertising and promotion, social media, or non-profit marketing. Students can be required to develop a complete social media campaign, beginning with strategy definition, creative and media planning, and simulated execution, depending on the level of the course and other content being covered and time available. The case could also be used as a platform for a semester long project course for senior-level undergraduate students, as well as for case a case competition, with competing teams preparing a report and making a presentation. It must be stated that while some parts of the case (e.g., target market definition, statement of objectives) may lend themselves to class discussion, others (e.g., media evaluation and planning, and creative plan development) would require out-of-class research and analysis.

Key Topics

The key areas likely to have a bearing on case completion are:

- Promotional campaign planning, including:
 - Target market definition
 - Statement of objectives
 - Creative strategy decisions
 - Media strategy decisions
 - Creative appeals and execution styles
 - Media evaluation and plan preparation
 - Development of metrics for media and campaign evaluation
- Secondary demographic research
- Donor behavior and motivations
- Managing a not-for profit effort

INSTRUCTORS' NOTE: CREATIVE PROMOTIONS NIGERIA, LTD

D.K. (Skip) Smith, Baze University

CASE OVERVIEW

This case invites students to play the role of Prof. Jonas Davidson, Dean of the Faculty of Business Administration & Social Sciences (FBASS) at Baze University and longtime Visiting Professor of Marketing at Lagos Business School (LBS) in Lagos, Nigeria. At the end of an LBS seminar he taught recently, Mr. Chris Adeniyi, one of the executives attending the seminar and the Director of Marketing for Creative Promotions Nigeria, Ltd., asked Prof. Davidson's advice on how to increase the probability of successfully soliciting the business of "bottom of the pyramid" customers from the large corporate bodies which Creative Promotions has targeted; companies interested in "bottom of the pyramid" business opportunities include banks, Fast Moving Consumer Goods (FMCG) companies, pharmaceutical companies, and so on. The case is appropriate for senior level undergraduates as well as students in MBA and/or executive development programs. It is designed to be taught in a one-hour and a half class session and is likely to require at least a couple hours of preparation by students.

CASE SYNOPSIS

Prof. Jonas Davidson, Dean of the Faculty of Business Administration & Social Sciences (FBASS) at Baze University and longtime Visiting Professor of Marketing at Lagos Business School (LBS) has been asked by Mr. Chris Adeniyi, one of the executives attending the seminar and the Director of Marketing for Creative Promotions Nigeria, Ltd., to provide advice on how to increase the probability of successfully soliciting the business of "bottom of the pyramid" customers from companies interested in pursuing such opportunities, including banks, Fast Moving Consumer Goods (FMCG) companies, pharmaceutical companies, and so on. The data and information in the case include:

- 1) For Nigeria: Information on the Nigerian environment plus selected statistics.*
- 2) For Creative Promotions Nigeria, Ltd.: Background information on the company, marketing strategy being used by the company, and problems and opportunities the company has encountered so far.*
- 3) For customers in the "bottom of the pyramid" socioeconomic group: Information on their attitudes and behaviors regarding banks and banking (that is, one industry which has an interest in pursuing business opportunities with members of this socioeconomic class.*

CHILDREN HAVING CHILDREN: A CASE STUDY INSTRUCTORS NOTES

Devi Akella, Albany State University

CASE DESCRIPTION

This case study is based on four interview accounts of pregnant teenage mothers who belong to the African American population. The case study revolves around the teenagers' behavior and their reasons for choosing early motherhood over career and higher education. This case study can be used in any organizational behavior class at the undergraduate level to demonstrate the practical application of the Social Learning Theory. It could also be used in a healthcare management class at the undergraduate level to gain insights about the reasons behind health disparities. This case study could also generate discussion on public health issues in an undergraduate healthcare management class as well. The case study has been designed for a 60 minute session slot. The instructor should distribute the case study along with the discussion questions to the students at least 7 days before the class. Students would require approximately 45-60 minutes of outside class preparation.

CASE SYNOPSIS

United States has the highest level of teenage pregnancy amongst the industrialized nations. Further the level of teenage pregnancy is highest amongst the minority population. This case study deconstructs the various factors, which influence and manipulate the overall behavior of the African American teenagers and initiates them to choose early motherhood over education and career. Why do African American teenagers decide to get pregnant early? What factors are behind their decision? What behavioral and learning processes initiate teenagers to get pregnant? This case study tries to interpret the behavior of teen mothers to suggest possible interventions to impede the recurrence of teen pregnancies within the African American society.

RESEARCH METHODOLOGY

This case study has been developed using interview accounts of four pregnant teenage mothers who belong to the African American population. The interviews were conducted at a local community high school in collaboration with a non-profit community agency in the city of Albany, Georgia. The author along with a colleague undertook a total of twenty interviews. In this case study four interviews undertaken by the author have been selected to examine reasons behind teenagers' behavior leading to early motherhood.

THE “ETHICS CASES” CASE

Kyle Ristig, Centenary College of Louisiana

CASE DESCRIPTION

This case can be used to illustrate concepts of ethical issues versus financial return. Considerations include the ethics of those that would gain financially from a particular course of action, the ethical consideration of those that attempt to help others but, in doing so, may compromise their ethical standards, and society's view of ethics versus finances. While the case does touch on copyright law, there is no need for legal expertise to discuss the case. The emphasis is on the ethics of the decision to be made. The case has a difficulty level of two to three, and is designed to be taught in one class hour. Depending on the depth of detail the instructor intends to pursue, preparation time for the students will take from one to two hours.

CASE SYNOPSIS

A young professor is deeply committed to helping his students both academically and financially. A long period of strained personal finances has left the professor with a strong desire to ease the financial burden felt by his students. In preparing for the upcoming semester, the professor has found a volume of ethics cases that would fit perfectly into his course. The problem is that the volume is as expensive as the required text and he is torn whether to require the purchase of the volume or not. While investigating alternatives, the professor found that a professor at a university in another state has posted the entire volume of cases (including copyright notice) on that university's web site. Should the young professor require his students to purchase the volume and thereby violate his mission of helping ease his students' financial burden (but maintain his ethical standards) or should he download the files from the university's web site for free and help his students financially (but violate ethical standards and create legal issues).

RECOMMENDATIONS FOR TEACHING APPROACHES

The case is designed to be used in an undergraduate business ethics course to help students understand the complexities of maintaining ethical standards while considering financial and legal consequences. The learning objective of this case is to expose the student to the roles and impact that financial and legal considerations play when making ethical decisions. While the case is not designed to provide an in-depth study of copyright law, students will be exposed to the law, its interaction with their ethical beliefs, their attitude toward financial gain (or avoidance of financial loss), and the strength of their desire to help others when considering the case questions.

Students should expect to spend one to two hours studying the case and accompanying questions. Discussion of the case can be conducted in small groups or as a class. If small group discussion is selected, it is recommended that the groups be brought together prior to the conclusion of the exercise to compare responses to the case.

INSTRUCTORS' NOTES MAKING THE MOST OF YOUR MONEY: EVALUATING EMPLOYEE RETIREMENT PLAN FUND PERFORMANCE

Jan M. Serrano, Francis Marion University
Erica Hernandez, Bowie State University

CASE DESCRIPTION

The primary subject matter of this case concerns evaluation of mutual fund choices offered by competing retirement plans, a topic appropriate for discussion in a number of business courses including investments or personal finance, entrepreneurship, and management/human resources. Learning objectives include evaluating the different types of funds offered by a plan carrier, analyzing performance measures for various types of mutual funds relative to the appropriate benchmark, selecting from among alternate plan carriers, weighing the importance of performance versus fees, and analyzing differences in the approach for evaluating bond funds vs. equity funds. The case has a difficulty level of three, appropriate for junior level courses. The case is designed to be taught in two class hours including background lecture on performance measures. It can be discussed in one class if students have previously been exposed to fund performance measures. Students must evaluate historical performance for each mutual fund option offered by two competing plan carriers. Data is broken down by fund objective, and further by return, risk, and risk-adjusted return measures and includes similar information an appropriate benchmark index. Based on this data, they must determine which funds have performed better in each category and explain why. They must then answer a series of questions using their analysis of the given funds as the basis of their responses. Ultimately, this process should allow them to determine which plan carrier's options are most suitable for the client. This is expected to require four hours of outside preparation by students if they are required to evaluate all of the funds. Alternatively, they could complete the case in half the time if they were each assigned only one of the fund groups to evaluate.

CASE SYNOPSIS

"Which retirement plan company offers the best funds? What do all of these numbers mean?" David Lyons has accepted a new position at Central Eastern University. He has met with the HR director who has informed him that he must choose between two firms approved by the university to offer 403-B retirement plans. Pressed for time, he highlights the funds with the lowest annual expenses, choosing the fund with the cheapest fees as he has heard that this was the most important factor in long run performance. Unsure of his choices, however, he contacts George Smith, a former neighbor and friend who is a Certified Financial Planner® to ask for help. This case involves comparing mutual funds of different types on the basis of common return, risk, and risk-adjusted return measures. Most investors at some point in their life or career must evaluate the merits of various mutual fund choices. Small business owners and HR managers may face a similar choice when setting up a retirement plan for their employees. From employees to business owners to individual investors, people need to be familiar with the

THE COIN HAS TWO FACES: DIFFERENCES THAT MATTER!

Issam Ghazzawi, University of La Verne
Marie Palladini, California State University

Keywords: Pluralism and culture, diversity, interfaith, meat packing industry, JBS SA, Swift & Company, Mexican workers in the U.S., Somali workers in the U.S., work-time prayer, culture challenges, and religious freedom.

The plurality of religious traditions and cultures has come to characterize every part of the world today...Pluralism is not diversity alone, but the energetic engagement with diversity. Diversity can and has meant the creation of religious ghettos with little traffic between or among them. Today diversity is a given, but pluralism is not a given; it is an achievement. Mere diversity without real encounter and relationship will yield increasing tensions in our societies...Pluralism is not just tolerance, but the active seeking of understanding across lines of difference... Pluralism is not relativism, but the encounter of commitments...is based on dialogue...

Diana L. Eck (2006, paras. 1-4)
Professor of Comparative
Religions and Indian studies,
Harvard University

As companies do more and more business around the world. Diversity isn't simply a matter of doing what is fair or good public relations. It's a business imperative.

Carol Heimowitz (2005, p. R1)
The Wall Street Journal

CASE DESCRIPTION

A diverse workforce poses unique challenges to organizations. While employees with different backgrounds bring a gamut of cultural values to the workplace, conflicts, misunderstandings, and stress may increase. Embracing employees' differences can be a major challenge to organizations.

The core pedagogical objective of this decision case research is to help provide an applied, hands-on format for students to increase their understanding and appreciation of the ethnic diversity and beliefs of others. It also advocates organizational pluralism, where employees feel they are fully integrated rather than isolated and ignored.

REVENUE RECOGNITION AT INGELHEIM SUSTAINABILITY CONSULTANTS – A CASE EXPLORING THE EFFECT OF THE NEW CONVERGED STANDARD

Marianne L. James, California State University

CASE DESCRIPTION

The primary subject matter of this case deals with the new revenue recognition standard issued jointly by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), which once effective will supersede both U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) on all revenue recognition-related issues. The primary objective of this case is to help students learn and understand the major provisions of the new revenue recognition standard and explore the potential effect on the financial statements of a service provider. Secondly, the case explores potential ethical considerations that may arise for accounting professionals implementing the new standard.

The case has a difficulty level of three to four and can be taught in about 40 minutes. Approximately two hours of outside preparation are necessary to fully address the suggested case-specific, research, and ethics questions which are largely independent, providing instructors with considerable flexibility. The case can be utilized in an Intermediate Accounting course to reinforce the revenue recognition-related concepts and issues discussed in class. It can also be used in an advanced level course focusing primarily on the research components or in an accounting ethics course focusing primarily on the related ethical issues.

Using this case can enhance students' technical, analytical, research, and communication skills and may provide opportunities for discussing ethical considerations in the context of revenue recognition and the implementation of the new comprehensive accounting standard. Furthermore, the case also provides students with some insights into sustainability consulting, which represents a rapidly expanding area with continually increasing involvement by and enhanced opportunities for accounting professionals.

CASE SYNOPSIS

After years of collaboration, two exposure drafts, and extensive due process, in May 2014, the FASB and the IASB issued their new accounting standard on revenue recognition. The U.S. GAAP version of the converged standard, Accounting Standards Update No. 2014-09, which is entitled "Revenue from Contracts with Customers," will be integrated into the FASB Accounting Standards Codification (ASC) topic No. 606 and supersede all currently existing GAAP on revenue and revenue-related topics (FASB, 2014). ASU 2014-09, which includes several appendices and exceeds 700 pages, is quite complex and may significantly affect revenue recognition for many entities.

This case deals with a fictitious midsize privately-held company that provides comprehensive sustainability-related consulting services to clients. Sustainability, which is defined as preserving resources for future generations while creating value for current generations, is an important aspect of many organizations' operations (U.N., 1987). Sustainability falls into three broad areas – environmental (ecological), social, and financial

WHAT EVERY COLLEGE STUDENT SHOULD KNOW ABOUT NON-COMPETE AGREEMENTS

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CASE DESCRIPTION

The pros and cons of non-compete clauses or agreements continue to be heavily debated in today's workplace. Many college students graduate from college and are confronted by prospective employers with the decision to sign or not to sign a non-compete clause or agreement without really knowing enough about them to make a good decision involving potential career implications. This research case takes an in-depth look at the background and history of non-compete agreements, current Employer use, enforceability, determining validity, state by state surveys and a summary of the judicial approaches to non-compete agreements. It also surveys how current students and faculty perceive them and their level of understanding of how non-compete clauses or agreements work. This case further provides the student with the needed information as to whether or not the employment opportunity is of such value as to cause the student to sign the agreement and pursue a career with the employer. This case has a difficulty level of being appropriate for senior level or first year graduate classes. The case is prepared for two hours of instruction and discussion. The students should receive the case earlier and be prepared to discuss the ramifications of the case together with the instructor.

CASE SYNOPSIS

Non-compete clauses or agreements continue to be a major concern for both Employers and Employees. Of particular interest is our research survey of current students and faculty perceptions and level of understanding regarding non-compete agreements. Of the 551 respondents, 70.8% were senior level students while 29.2% were faculty and staff for a regional university. 78.9% indicated they felt a non-compete clause or agreement did not protect their interests as an employee. In addition, 22.0% were required, or had been required in the past, to sign a non-compete clause or agreement to get a job. The majority of respondents felt the following: by signing a non-compete clause or agreement, they were giving up some of their personal rights; a company that requires employees to sign a non-compete clause or agreement only does so to protect its own interest without concern for the employee; a non-compete clause or agreement favors the employer over the employee; believes that they would have a better chance to win a dispute against an employer if their claim was heard by a judge and jury; disagrees that a non-compete clause or agreement is appropriate, felt they understand a non-compete clause or agreement and believes a non-compete clause or agreement does not protect their interests an employee. This research is of further value to students because it identifies current and future trends of Employer use of non-compete clauses or agreements in the workplace. Students should be able to identify whether a non-compete agreement is "overly broad" in their mandatory restrictions, whether Employers are expanding current "Noncompetition" provisions of agreements by expanding the "Restricted Period" and the geographic territory covered by such agreement. Finally, this research provides recommendations as to whether or not a student should proceed in signing or decline the signing of a non-compete clause or agreement being required by an employer.

INSTRUCTORS' NOTES: IMPAIRMENT ANALYSIS: COMPARISON OF IMPAIRMENT OF LONG-LIVED ASSETS BETWEEN US GAAP AND IFRS

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CASE DESCRIPTION

This case study compared the accounting behind the impairment of long-lived assets between US GAAP and IFRS. The case is appropriate for either senior level or graduate accounting students. The case is designed to be taught in one class hour and is expected to require five to ten hours outside of class.

CASE SYNOPSIS

This case study provides accounting students an opportunity to explore a real life example of how accounting estimates and choice of reporting standards impact financial statements. Students will analyze the differences between US GAAP and IFRS for the impairment of long-lived assets. In addition, they will be required to create an estimate of the impairment calculation for nine capsize vessels purchased by Genco Shipping & Trading at the top of the boom market in 2007. The calculation will expose students to the significant amounts of ambiguity often found in accounting estimates. The range of reasonable answers could vary from an impairment of long-lived assets of over \$600 million to no impairment at all. These wide ranges of estimates can provide an enlightened discussion of the use of estimates in accounting. Professional judgment will be tested as students wrestle with how answers vary considerably based on the accounting framework chosen.

CASE LEARNING OBJECTIVES AND IMPLEMENTATION GUIDELINES **LEARNING OBJECTIVES**

This case is designed to achieve five learning objectives: (1) analyze the difference between US GAAP and IFRS on the financial statements of companies in the same industry; (2) apply the calculation made by a US publically listed company for the impairment of long-lived assets; (3) evaluate the impact accounting estimates have on the balance sheet (statement of financial position) and the income statement (statement of financial position); (4) evaluate whether the estimates used by the publically listed company are appropriate; (5) enhance critical thinking skills by requiring students to identify, comprehend and apply relevant sections of US GAAP and IFRS . Although this case can be performed individually, the case can be an effective group exercise. The complexity and uncertainty are fertile ground for extended critical thinking, teamwork, and intra and inter-group discussions. All three questions are fertile for intriguing group discussions. These discussions can unsurface and expand issues previously elaborated on within the group. The goal of these discussions is not to reach consensus, but rather to investigate

INSTRUCTORS' NOTES: SWEET PEAS STITCHERY: A CASE OF A START-UP MERCHANDISER – PART B

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CASE DESCRIPTION

The primary subject matter of this case concerns accounting. Secondary issues examined include entrepreneurship, marketing, retail management, and merchandising. The case is appropriate for sophomores or juniors who are in a core financial accounting course or entrepreneurship, retail management, fashion merchandising, and marketing classes that include financial analysis of a merchandising firm.

This case will take approximately one class hour. It will not require students to do any outside preparation. It will challenge their logical thinking skills, knowledge of Balance Sheets, and financial ratios while applying their basic business knowledge. It will also require the students to recognize the implications of a challenging financial situation.

CASE SYNOPSIS

Imagine quitting your secure job to open a new business on a mere \$10,000 in a time of economic uncertainty. Neither you nor your partner has any experience in the industry or as entrepreneurs. You are running on blind faith that your initial capital investment will be enough for the business to survive and generate enough revenue to draw a paycheck within the first six months of operation. This case provides an overview of the operations of such a business that opened in 2011. Several things are considered in this case, including the risks of an inexperienced entrepreneur starting a new business during a time of high unemployment and difficult economic times. The odds of success are against the owner because of her limited funds, unemployment rates, and high failure rate, what the Small Business Administration calls the death rate, of new businesses. With no experience in and little knowledge of accounting, it's easy for the owner to fail to recognize when her "accountant" and "CFO" submit financial statements that are incorrect and do not make sense, which happens in this case. It requires students to recognize the strengths and shortcomings in the information provided in the company's Balance Sheets. The owner is finding it difficult to operate on current cash flow and is seeking external investors to supplement the poor cash situation. One such potential investor, Becky Bartlett, needs guidance in understanding the Balance Sheets and ratios. She specifically needs to understand if they indicate that investing in the company is a good or bad financial decision.

TEACHING NOTE: APPLYING THE RESOURCE-BASED VIEW OF THE FIRM TO QINGDAO, CHINA

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The following outline provides a birds-eye view of this teaching note. We have tried to be mindful of professors' time by building in as much flexibility as possible. The purpose of this outline is to assist professors in choosing the questions most relevant to their courses and their time constraints.

The flexibility of the teaching note allows professors to go into considerable detail regarding the resource-based view of the firm (RBV) or alternately selecting only the questions most relevant to the course and course time constraints. In addition, we have included in the prelude to select questions within the note which questions could more easily be dropped without interrupting the flow of the main points professors are most likely to make while teaching the case. However, we include these questions for professors desiring to delve more deeply when teaching the case.

Question 1: What exactly is a sustained competitive advantage?

Question 1a: How can we know whether or not Qingdao has a competitive advantage?

Question 1b: Are there other port cities in China that have features similar to those Qingdao possesses?

Question 1c: If there are other port cities having features similar to Qingdao, then how can we know Qingdao has a competitive advantage over these other cities?

Question 2: What is the resource-based view (RBV) of the firm?

Question 2a: Does Qingdao possess relatively immobile resources?

Question 2b: Does resource heterogeneity contribute to, detract from, or have no effect on Qingdao's ability to gain and sustain a competitive advantage?

Question 3: What was the original research context in which the RBV was developed?

Question 4: Are there similarities to the city of Qingdao and the nation of China compared to a strategic business unit and a corporate parent?

Question 5: Does Qingdao have a sustainable competitive advantage relative to other cities that are vying for the same funding from Beijing?

Note 1: Sustainable Competitive Advantage and Economic Moats

Note 2: Unique History as a Source of Competitive Advantage

References

Few contemporary cases focus on theories of the firm as a starting point for analyzing the resource-based view of the firm (RBV) even though the RBV was built on prior work regarding more general theories of the firm. One goal of this case is to fill this niche especially for professors teaching graduate students with varied interests such as business, sociology, and public administration.

A MULTIDISCIPLINARY APPROACH TO MITIGATING ANTIMICROBIAL RESISTANCE INSTRUCTORS' NOTES

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CASE DESCRIPTION

This case presents a scenario of a local public health challenge relating to the global threat of antimicrobial resistance. It is caused and driven by complex factors and a solution is required to contain and prevent it. To holistically address this problem requires a multidisciplinary approach to accurately analyze the problem, identify its drivers and create innovative solutions that are effective, feasible and sustainable. There are many possible solutions to the problem, but all would require a judicious recognition and balance of public and private health care rights, responsibilities, and values. The case description is adapted from real occurrences and can represent real life situations. Fictitious characters and plots that bear no direct relation to any existing individuals or locations are used.

CASE SYNOPSIS

The President of the Democratic Republic of Mullenia (a fictional state) convened an emergency meeting of the Disaster Management Taskforce (DMT) under the Office of the Prime Minister responsible for coordinating all aspects of disaster management in mainland Mullenia. The taskforce comprising the heads of several ministries was called in order to address a recently identified public health crisis stemming from increased antimicrobial drug resistance (AMR). The most affected areas in the country are rural, which typically lack adequate medical resources, but the AMR is rapidly spreading into urban areas as well. A preliminary survey shows that this trend correlates with the indiscriminate sale and use of antimicrobials from unregulated markets and private drugstores that do not require prescriptions. Challenged with poor medical infrastructure and shortage of trained personnel, the country is determined to tackle the issue holistically. This means that, at the least, expertise in medicine, business/economics, sociology/anthropology and public policy is required. You (or your team) have been hired by the Government of Mullenia to offer both short and long term solutions to address these issues.