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**JOURNAL OF THE INTERNATIONAL ACADEMY FOR
CASE STUDIES
INSTRUCTORS' NOTES**

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BRAND-NEW CAR VS. SECONDHAND CAR: THE NEVER-ENDING DILEMMA

Pajaree Ackaradejruangsri, Asian Institute of Management

INSTRUCTORS' NOTES

CASE DESCRIPTION

The primary subject matter of this case concerns some of the important issues that consumers might face when making buying decisions. The case is designed to suit the class discussion well, being very short and precise, but giving enough room for the students to engage in critical thinking (rational decision-making process versus bounded rationality decision-making process). The students must analyze the case from various perspectives (taking into consideration the cultural factor, social factor, personal factor, psychological factor, etc.), and make a decision based on the information provided, and assuming the roles of Tip and Pon (cognitive versus emotional decision making, optimizing versus satisfying decision making, compensatory versus non-compensatory decision making, etc.). The case also provides an opportunity for the student to exercise some basic calculations. The case has a difficulty level of appropriate for sophomore level of marketing management course. The case is designed to be taught in one and a half class hours and is expected to require one to two hours of outside preparation by students.

CASE SYNOPSIS

Tip had just come back to work after a few months of maternity leave. Things seemed to go well until the day that her husband Pon received a call, with news of his promotion to be a new sales manager. It was very good news indeed, but other alternatives would need to be given for Tip and her baby to commute around by themselves since, as a sales manager, Pon would have to visit his clients in the other cities. As of that time, they had only one car. Taking a taxi was ruled out as a good alternative for Tip; she had grown very tired of being refused and waiting for an hour at a time. Perhaps buying another car would prove to be a better alternative. Despite the subject complexity and the saving plan that they had for their baby boy, they agreed to buy a Honda Jazz, an eco-car. But which one should they go for? Should it be the latest model, with the warranty performance of 2014, in attractive yellow pearl? They would have to queue for this for two more months. Or, should they go for the more economical 2010 model, in reasonable condition, and colored crystal black pearl—ready for a hop inside? Tip and Pon are caught in a big dilemma!

RECOMMENDATIONS FOR TEACHING APPROACHES

To discuss the case, the class may begin by describing the case facts: What do you understand from the case? Who are Tip and Pon? What are their personality traits? What is/are their issue(s)? How can they come up with alternatives? and so on. During the discussions, the instructor may guide the students and emphasize relevant reasons, influential factors, decision making processes, and difficulties, such as balancing between functional motives (utilitarian) and

ACADEMIC DISHONESTY IN AN ACCOUNTING ETHICS CLASS: A CASE STUDY IN PLAGIARISMINSTRUCTORS' NOTES

Donald L. Ariail, Kennesaw State University
Frank J. Cavico, Nova Southeastern University
Sandra Vasa-Sideris, Kennesaw State University

CASE DESCRIPTION

The primary subject matter of this case concerns the issue of cheating in the form of plagiarism, and plagiarism in the broader context of professional ethics. It is appropriate for any upper level accounting course (junior, senior, or graduate level students). While the case incident involves plagiarism in an accounting ethics class, it can easily be used in any course that addresses ethics including professional ethics. The case questions provide students "food for thought" and the basis for written assignments as well as in-class discussion of both the actual and potential consequences of plagiarism. While the incident described involves plagiarism in an accounting ethics class, the case can easily be used in any course that addresses ethics, including professional ethics.

CASE SYNOPSIS

This case is based on a real event in which a student, in an accounting ethics course taught by one of the authors, plagiarized two of his end-of-term papers. The names of the participants and the location have been changed. Given the ease with which students can copy and paste from electronic resources, plagiarism has become a major problem in higher education. Suggested questions are included which provide the instructor with a tool for educating students regarding what constitutes plagiarism, including the school's and instructor's policy regarding plagiarism; the CPA exam and professional requirements regarding ethical behavior; and the applicability of ethical theories to plagiarism.

RECOMMENDATIONS FOR TEACHING APPROACHES

Student Outcomes

This case educates students about what constitutes plagiarism, relates this cheating behavior to the ethical theories studied in the course, and makes them think about the many negative consequences of plagiarism, which is a prevalent form of cheating.

The following student outcomes are suggested:

1. Students will be able to locate and explain relevant policies, professional standards, and regulations on ethical behavior including cheating/plagiarism.
2. Students will be able to evaluate the consequences of cheating/plagiarism using relevant standards/policies as well as ethical theories.
3. Students will be able to apply ethical theories in evaluating an act of cheating/plagiarism.

HOW SHOULD I ADVISE MY CLIENT?

Robin Boneck, Southern Utah University
David Christensen, Southern Utah University

CASE DESCRIPTION

The primary subject matter of this case concerns professional standards of tax advice. The case has a difficulty level appropriate for first-year graduate accounting courses. The case is designed to be taught in two class hours. In the first hour professional standards of conduct are taught and discussed. Then the case is introduced. In the second hour students participate in a discussion of the case where they offer their opinions and conclusion. Before students discuss the case in the second hour they are required to spend time (one to two hours) analyzing the case outside of class in order to be prepared to offer their opinions and conclusions in the follow up class discussion.

CASE SYNOPSIS

This case is based on potential tax consequences to participants of a reality TV program, "Extreme Makeover: Home Edition." The tax advisor for a fictitious family that received \$450,000 worth of home improvements, appliances and furnishings must decide how to treat the items for tax purposes. If he treats them as taxable prizes, the family will incur a substantial income tax liability that they cannot afford. If he treats them as nontaxable items, the family avoids taxation on the windfall profits. Due to the reality TV program's unusual construction of the arrangement, tax treatment of the \$450,000 falls within a gray area of tax law. The tax advisor must examine the facts of the case under the law and professional standards of conduct to resolve the dilemma. However, this is not an easy decision. The IRS refrained from ruling on this matter. Public opinion and representatives of the reality TV program disagree on how to treat the arrangement. These facts create an air of uncertainty providing students with an opportunity to explore personal and professional standards of conduct in resolving the issue.

INSTRUCTORS' NOTES

Learning Objectives

This case study helps students understand that there are gray areas in the tax law requiring a practitioner to make difficult decisions in arriving at a tax position. It provides a framework for students to learn professional standards of conduct and develop their own practice standards prior to being confronted with an actual dilemma in practice. After analyzing the case students should be: (1) better prepared for a professional career in accounting because they are more aware of the existence of practice dilemmas where practitioners may differ in opinions and conclusion; (2) able to identify standards and rules that provide guidance to a practitioner in determining the soundness of a tax position taken; (3) better prepared to analyze the facts of a real case under the law and guided by professional and personal standards; and (4) further developed in their own personal and professional standards of conduct.

INSTRUCTOR'S NOTES

A LOONIE TOO MUCH: HOW TARGET FAILED TO BRING HOME THE CANADIAN BACON

Ed Chung, Elizabethtown College
Carolann McLarney, Dalhousie University
Cristina Ciocirlan, Elizabethtown College

CASE DESCRIPTION

The primary subject matter of this case concerns MANAGEMENT. Secondary issues examined include CORPORATE STRATEGY, DECISION-MAKING, RETAIL AND SALES, INTERNATIONAL BUSINESS AND MARKETING. The case has a difficulty level of FOUR. The case is designed to be taught in ONE class hours and is expected to require TWO hours of outside preparation by students.

CASE SYNOPSIS

The case describes the 2011 entry of Target into Canada by leasing and renovating over 200 Zellers stores across the country. The corporation set an ambitious goal of \$6 billion by 2017 and saw Canada as a tremendous growth opportunity. However, by 2013 the company did not realize its anticipated sales targets and gross margin tumbled. Some problems that the company faced included large stock-outs, underestimating the Canadian competitors, logistics issues, high price disparities between Canada and the US, data breach, and increased pressure from labour unions. The case could be used in undergraduate or graduate classes with an emphasis on management, corporate strategy, international business or marketing. It will provide a rich amount of learning, as several themes would emerge from the class discussion. Students could perform an industry analysis, evaluate several methods of foreign entry, identify heuristics in the decision-making process, appreciate the benefits of Evidence-Based Management (EBM) and understand the need to conduct deeper research into the cultural nuances between Canada and the US.

The case describes Target Canada's predicament based on information available in the public domain up to the end of July 2014. If the instructor wishes to discuss events transpiring after July 2014, additional research will be needed to augment the information contained in the case.

ASSOCIATE READINGS OR ASSIGNMENTS

The case should be given to students ahead of class, and students should have performed preliminary analyses on it. A 45 or 50 minute class discussion should suffice, unless the instructor wishes to add to the complexity of the case by using additional material (see below).

Although the first two articles are older sources, it is important for students to understand the multifaceted nature of differences between the Canadian and the US market, not necessarily whether these differences still hold in present. While consumer attitudes and preferences are always changing, students should focus on understanding the role of cultural nuances in a foreign market venture. By acquiring such a perspective, students will sharpen their scientific method of inquiry when it comes to undertaking cross-cultural research.

BUNDLING, CORD-CUTTING AND THE DEATH OF TV AS WE KNOW IT

Dmitriy Chulkov, Indiana University Kokomo
Dmitri Nizovtsev, Washburn University

CASE DESCRIPTION

This case describes the changing landscape in the paid-television industry and provides an opportunity to review the underlying principles of bundling, price discrimination, a-la-carte pricing, and other pricing strategies. The case is designed to cover a number of learning outcomes in a managerial economics course at the M.B.A. or upper undergraduate level and has been tested in M.B.A. economics courses at two business schools over several semesters. The content of this case may also be used in other business courses including marketing and strategic management.

CASE SYNOPSIS

Firms in the paid-television industry, in particular cable TV companies, have relied heavily on the practice of bundling, selling only packages of channels to consumers. This pricing strategy is challenged by recent developments including the shift to internet streaming of television programs as well as rising costs of television programming content. Consumers respond to increasing options for obtaining video content as many of them abandon the traditional cable TV companies and “cut the cord”. Consequently, the pay-TV industry is considering whether the ability to offer TV channels individually in an “a la carte” format is viable.

This case provides an opportunity to review the conditions for successful implementation of bundling and a-la-carte pricing strategies. An examination of the current industry trends also leads to the discussion of cable companies’ optimal responses to higher costs of programming content and increased number of substitutes for consumers.

CASE QUESTIONS

1. Explain the essence of the bundling and a-la-carte pricing models. What conditions are necessary for the implementation of these two pricing strategies? Which of the two models is closer to the traditional monopoly pricing?
2. Identify and summarize the constraints under which pay-TV firms are operating and the opportunities available to them.
3. Is the pricing power of pay-TV companies greater or smaller today compared with fifteen years ago? What implications does this have for their ability to experiment with bundling and other non-trivial pricing strategies?
4. Does bundling always produce higher profits than traditional monopoly pricing?
5. Does the a-la-carte pricing model always lead to higher price per TV channel?
6. Based on the facts described in the case, are you confident that demand in the pay-TV market is decreasing (shifting to the left)?

TEACHING NOTES

THE UNIVERSITY GETS ITS ACT TOGETHER: CUTTING THE COSTS OF DISPUTES IN ORGANIZATIONS

John C. Crotts, College of Charleston

CASE DESCRIPTION

The primary subject matter of this case is a university grievance process that is no longer capable of resolving disputes before they escalate into costly conflicts. The case has a difficulty level of three and is therefore appropriate for seniors or graduate students. The case was crafted with courses in organizational development, human resource management, and leadership in mind, but given the pervasive need to manage conflicts this case is appropriate for a broad range of courses. The case is designed to be taught during one 75 minute class and we expect students will need at least three hours of preparation time outside of the classroom.

CASE SYNOPSIS

This case is framed in the personal experience of a faculty member whose dispute with supervisors leads to the resignation of a chair and dean and the loss of good will with key community stakeholders. It focuses on the analysis of an internal grievance process that brings the student to two decision points, namely, 1) what shortcomings exist in the current internal grievance process and 2) what changes should be made to make them more fair and effective? The case briefly addresses and illustrates the foundational skills of dispute resolution and mediation designed to resolve conflicts efficiently and fairly at the lowest cost. An optional one 75 minute class time extension of the case introduces the student to why at times seemingly ethical people do unethical things drawing from the Stanford Prison and the Milligan Experiments. An optional alternative involves conflict resolution games designed to help students fully embrace the art and science of negotiations and mediation.

SUGGESTED TEACHING APPROACH

This case is designed to educate students to the art and science of dispute resolution processes. The case is appropriate for use in a traditional face-to-face classroom setting as well as on-line or in a hybrid format.

This case will work well as an individual assignment or, at the instructor's discretion; the case can be assigned as a group project. We would recommend that the case be distributed to the class with instructions for the students to conduct online research leading to their responses to questions 3 and 4. Upon completion of the homework assignment, students should come to class prepared to share and defend their responses to the questions.

LUCY TAXPAYER: A CASE STUDY AND EXERCISE SET INVOLVING TAX RESEARCH, ANALYSIS AND RETURN PREPARATION

Tiffany Cossey, Drury University
Penny R. Clayton, Drury University

INSTRUCTORS' NOTES

CASE DESCRIPTION

The primary subject matter of this case is personal federal taxation. Secondary issues examined include ethical decision making, research, and written communication. The case has a difficulty level appropriate for junior level courses. The case is designed to be taught in two class hours and is expected to require four hours of outside preparation by students.

CASE SYNOPSIS

This case introduces students to challenges they may face as first-year tax associates in a public accounting firm. It involves research of a tax issue, encountering an ethical dilemma, delivery of findings to a superior, and delivery of an unpopular result to a client. Students must also prepare and analyze a tax return and compare the results against a prior-year return.

These exercises are designed to make the subject of tax interesting and fun by presenting an unusual but not obscure problem and giving students the opportunity to use their skill sets to solve problems. After completing this case, students will have a sense of accomplishment, a greater feeling of confidence in their abilities, and a greater ability to solve real-world problems for clients. The case is modeled on a situation encountered several times at a free tax preparation clinic staffed by student volunteers.

The problem poses a tax anomaly which produces a counterintuitive result and requires closer examination to determine the reason for the effect. Students will approach the problem by analyzing the impact of a small change on a client's tax return to determine the source of a difference and will then be required to perform a small amount of research on the item causing the change. They will then communicate their findings in writing. When given to test groups, after completion of the assignment, students reported that they became more familiar with the Form 1040 and its functionality and gained confidence in identifying and resolving issues.

INTRODUCTION

Lucy Taxpayer: A Tax Return Research Case Study was developed by a tax professor and administrator of a student-led tax clinic and an award-winning twenty-seven year veteran accounting professor. The inspiration for the case arose after seeing an unusual but repeated issue occur in a student-staffed tax clinic. The opportunity presented an ideal teaching scenario which not only enhanced student learning but also gave the students a chance to exercise skills which would be needed as first-year associates at a public accounting firm. We see our mission as one of teaching and preparing students for the work environment they are about to enter. Using the background of real cases, this sample problem was created and then presented to

MANAGEMENT CHALLENGE: OBAMACARE

Robert M. Crocker, Stephen F. Austin State University
Marlene C. Kahla, Stephen F. Austin State University

CASE DESCRIPTION

The Patient Protection and Affordable Care Act (ObamaCare) became law in 2010 and the changes forced on the medical community are creating managerial headaches that are not easily resolved. While the general population focuses on health insurance, in the medical community anxiety and trepidation persist over increasing capitation and loss of revenues. Many medical practitioners are abandoning the profession. Those that remain are tightening their belts and preparing for lean times. Wage freezes and reductions in forces are two common strategies for reducing expenses. These strategies harshly impact the lowest paid members of the medical community which includes the receptionists, schedulers, file clerks, insurance clerks, medical assistants, and some nurses. Medical managers are being challenged to attract, motivate, and retain employees that can provide superior patient service under these conditions.

CASE SYNOPSIS

Rachel, the office manager for a multi-million dollar pediatric practice in Longview, Texas, is facing escalating employee problems as the doctors withhold raises and promotions from their staff. The doctors contend that revenue losses are an imminent result of the Affordable Health Care Act and have staunchly resisted most pleas for pay increases for deserving employees. Rachel has implemented a number of creative managerial initiatives in hopes of motivating and retaining valuable human assets. Despite her efforts, annual employee turnover in the clinic has jumped from 10 percent historically to more than to 60 percent in each of the last three years.

INSTRUCTOR NOTES

This case addresses three critical management components: Strategic Thinking, Human Resources Management, and Motivation. These areas may be addresses separately or all at once. This is a very short case that may be used as an in-class exercise but also provides sufficient depth to be used as a take-home or group assignment.

Strategic Thinking

1. How do Federal, State, and local laws affect business? All businesses are affected by laws and regulation. There are several categories of legislation including environmental laws, building code laws, international trade regulation, business licensing, tax laws, labor laws, and even reporting laws that dictate how businesses must report their finances to investors and the government.
2. Why should business leaders be aware of the political landscape? The law is constantly

INSTRUCTOR NOTES

TOURISM IN ILHA GRANDE: THE PROMISES AND THE PROBLEMS OF PARADISE

Claudia G. Green, Pace University- New York City
Marcos Cohen, The Catholic University of Rio de Janeiro

INTRODUCTION

Ilha Grande, an exotic, natural island off of the coast of Brazil, is one of the last remnants of the Brazilian Atlantic Rainforest. The island is being presented with a variety of challenges that threaten its viability - environmental, social, cultural and economic. The island became a tourism destination only 20 years ago in 1994. As the 3rd most popular island destination in all of South America, Ilha Grande has the promise of a vibrant tourism industry and the problem of overdevelopment and over usage. This case study outlined the history of Ilha Grande and how tourism evolved despite of the lack of infrastructure, lack of trained personnel, over-abundance of tourists arriving by boat and cruise ships, the encroachment of oil drilling in the bay and the proximity of Brazil's single nuclear energy plant.

CASE OVERVIEW

Based on the information provided, ask students to assume that they are business management consultants who have been hired to examine and make recommendations about the future of tourism on Ilha Grande.

This case study gives students the opportunity to examine the many challenges that are facing a large number of island tourism destinations globally. In this process, they learn about the various stakeholders who have a vested interest in sustaining Ilha Grande-environmentally, socially, culturally and economically.

Understanding the perspectives of various stakeholders will give students experience in the difficulty of balancing the expectations of these groups. Embedded in this case study is the concept of sustainability, stakeholder theory and Butler's 5 Stage Tourism Development Model. These models will be transferrable to the study of other situations where the ethical issues such as the environment, social, cultural and economic impacts compete with effective decision making.

After reading this case study, students should be able to:

1. Identify the challenges and opportunities for the future of Ilha Grande
2. Conduct a systematic analysis of the situation
3. Weigh the opinions and values of various stakeholders
4. Identify what steps need to be taken to reduce these threats and capitalize on the opportunities in a sustainable way
5. Identify where Ilha Grande is on Butler's 5 Stage Tourism Development Model
6. Develop a plan for a more sustainable Ilha Grande for today and in the future.

INSTRUCTORS NOTES' MICHELLE JONES: FINANCIAL CHALLENGES AND OPPORTUNITIES

Michael D. Evans, Johnson C. Smith University

Yvette I. Hall, Johnson C. Smith University

CASE DESCRIPTION

The purpose of this case is to explore the financial challenges faced by college students and to underscore the need for students to make sound financial decisions while in school and after graduation. This case is best suited for discussion in a Personal Finance class. However, there are components that lend themselves to the Introductory Finance class as well. The case can be discussed in 2 class periods and will require 3-4 hours of outside preparation by students. Upon completion of the case, students will be able to prepare and analyze Personal Financial Statements and assess one's net worth. They will be able to explain the importance of establishing credit, using it wisely and propose strategies for improving one's credit score. Students will also be able to apply time value of money concepts to calculate loan payments and make retirement projections. Students will explore key personal financial planning concepts through the eyes of Michelle Jones, a recent graduate of Johnson C. Smith University. They will also be afforded the opportunity to assess their own personal finances through a series of hands-on exercises.

CASE SYNOPSIS

Michelle Jones is a recent graduate of Johnson C. Smith University (JCSU). She received a BS in Business Administration with a concentration in Finance. She successfully completed an internship with Branch Banking and Trust (BB&T) while at JCSU and joined the bank full-time after graduation as a Credit Analyst. Michelle was supported financially by her parents while in college. She lived with her parents after graduation. This afforded her the opportunity to save money. She didn't pay any rent nor did she pay for utilities or food. More importantly, she enjoyed her father's cooking. One year after graduation, Michelle's mom said, "It is time for you to move out of my house." Michelle turned to her dad. Surely, he would let her continue to live in the family home. Michelle was crushed when her dad concurred that it was time for her to go. Now she is planning to strike out on her own and face the challenges of being financially independent. Michelle felt naïve about managing her finances so she reached out to one of her finance professors at JCSU for advice. This is where the "fun" begins.

RECOMMENDATION FOR TEACHING APPROACHES

This case is designed for use in a Personal Finance class. Questions are posed in the order that the topics are addressed in most Personal Finance textbooks. The case can be assigned as a take-home assignment and/or discussed in consecutive class meetings. Alternatively, questions from the case can be assigned over the course of the semester to reinforce discussions/lectures of textbook material (i.e., a continuing case). For example, students would be required to address the questions regarding effective goal statements after discussing the

OCCUPATIONAL FRAUD: MISAPPROPRIATION OF ASSETS BY AN EMPLOYEE

David Glodstein, State University of New York at Old Westbury

CASE DESCRIPTION

This case provides a practical example of occupational fraud. Losses suffered by small business due to fraud are disproportionate to larger companies due to lack of internal controls. Specifically, it examines the methods of how a human resources/accounting manager of a manufacturing company managed to embezzle more than \$250,000. The unwitting victims of this scheme were the two principal owners who were engineers by trade and typical of most small business owners who focus their efforts on generating their product and maintaining customer relations. Essentially, the owners left the oversight of the day-to-day operations to their “trusted” employees.

The primary subject matter of this case is occupational fraud and lack of internal controls in small privately owned companies. Secondary issues include multiple components of asset misappropriation, employment screening, due diligence, and indicators or “red flags” to possible fraud. This case is targeted for students in a forensic accounting course to provide practical discussions on internal controls, accounting for the loss, and solutions to minimize occupational fraud.

CASE SYNOPSIS

This case provides a practical example of occupational fraud. Specifically, the examination of this case demonstrates the methods of how a human resources/accounting manager of a manufacturing company managed to misappropriate more than \$250,000 from his employer using multiple schemes, including larceny (Cash), falsified wages & benefits (Payroll), and personal purchases (Billing). It also demonstrates that losses suffered by small business due to fraud are disproportionate to larger companies due to lack of internal controls.

The case got started when the author who is a consultant in forensic accounting and fraud examination received a call from the employment attorney for Satellite Manufacturing Company (It is important to note that the names of the business and the parties involved in this case have been changed to protect their identity). A meeting was set up between the author/consultant and the principals of Satellite Manufacturing Company (SMC) to discuss the principals understanding of what had transpired in this case. At the time of the original meeting, the principals indicated that they terminated the alleged perpetrator at the advice of their legal counsel. The principals, along with their Chief Financial Officer (CFO), believed that the perpetrator stole about \$25,000.

The company generated gross revenues between 7 to 10 million dollars per year. Besides the two owners, the business had a part-time CFO, a three person accounting department which included both accounts receivable and accounts payable, and the human resources (HR)

J. C. PENNEY AND RON JOHNSON: A CASE OF FAILED LEADERSHIP: LESSONS TO BE LEARNED

James Harbin, Texas A&M University-Texarkana
Patricia Humphrey, Texas A&M University Texarkana

CASE DESCRIPTION

Leadership is the primary subject matter of the case. Secondary issues that may also be examined are corporate culture and the marketing mix of product, price, place and promotion. The difficulty level of this case is a three. It would be appropriate for junior, senior and graduate students. The case may be taught in as little as one hour or could easily be expanded into two hours. Students should be required to spend a minimum of at least 3 hours outside of class to prepare for the case.

CASE SYNOPSIS

The business story dominating the airways from late 2011 through 2013 revolved around the company J. C. Penney and the much anticipated arrival of their new CEO Ron Johnson, his new vision for the company, and then the subsequent failure of that vision. It is an amazing tale of how things can go from "boom" to "bust" in such a short period of time. It is destined to become a classic case of failed leadership that management students will study for years to come. Early on during Ron Johnson's reign, there was tremendous excitement among the financial community, the shareholders, and even the company itself. How all that turned so quickly sour and ended in his dismissal 18 short months later provides for multiple lessons in leadership.

INSTRUCTORS' NOTES

The case outlines the changes that new CEO Ron Johnson brought to J.C. Penney, from late 2011 through 2013. Ron Johnson's new vision for the company and then the subsequent failure of that vision is an amazing tale of how things can go from "boom" to "bust" in such a short period of time. It is destined to become a classic case of failed leadership that management students will study for years to come. Early on during Ron Johnson's reign, there was tremendous excitement among the financial community, the shareholders, and even the company itself. How all that turned so quickly sour and ended in his dismissal 18 short months later provides for multiple lessons in leadership.

ENCOMPASS SOFTWARE: GETTING STARTED, THE FIRST MONTHS AND FUELING GROWTH

INSTRUCTOR'S NOTES

David Hayes, Western Carolina University
Zahed Subhan, Close School of Entrepreneurship, Drexel University
Joseph Lakatos, Western Carolina University

CASE DESCRIPTION

*The primary subject matter of this case concerns **Entrepreneurship, Entrepreneurial Marketing and aspects of Leadership in an entrepreneurial context**. Using an innovative chronological approach, this case addresses several key issues faced by entrepreneurs when launching and developing new ventures. Specifically, the case explores the key tasks that need to be undertaken in a startup business (a technology firm focused on the development and commercialization of software with utility in scheduling patients in a healthcare setting), and encourages students to consider the priorities that need to be established during the first six months of operations – the most critical time frame for an entrepreneur, where future success depends on the choices made in a time of considerable uncertainty. The case is divided into three parts (Part 1: Getting Started; Part 2: The First Months; Part 3: Fueling Growth) and has a difficulty level of three, appropriate for junior level courses in entrepreneurship. The case is designed to be taught in 3, 75 minute class periods and is expected to require up to 6 hours of outside preparation by students (approximately 2 hours for each part).*

CASE SYNOPSIS

The case is written from the perspective of the protagonist, the CEO of Encompass Software, a startup company dedicated to the development and commercialization of software with utility in scheduling patients in a healthcare setting. The CEO is faced with three unique sets of challenges, with the solving of each being critical to the company's future success.

In Part 1, the CEO has decided to “take the plunge” and has just resigned her corporate job to start Encompass Software. In Part 2, the CEO is two months into operations and is ready to launch the company's new software product. In Part 3, the CEO has just hired a team and must now consider ways to best generate revenue.

[NOTE: This case is a fictionalized account of a real-life situation. Names and other identifying information have been changed. However, the applicable facts and situations are true to the real case. Additionally, the actual dates and timeframes of the industry statistics presented have been adjusted for the purpose of this case.]

THE U.S. AIRLINE INDUSTRY IN 2015: INSTRUCTORS' NOTES

Duane Helleloid, University of North Dakota
Seong-Hyun Nam, University of North Dakota
Patrick Schultz, University of North Dakota
John Vitton, University of North Dakota

CASE DESCRIPTION

The U.S. airline industry is a highly competitive industry with high fixed costs and multiple competitors. The case is intended to be used in a strategic management course to study industry structure and competitive dynamics. Given the transparency in pricing and ease with which consumers can compare the alternative routes, prices, and amenities offered by multiple competitors, the tactics and strategic moves by any one competitor can impact the decisions of other competitors. This case is designed to help students understand how the external environment, industry structure, and competitive rivalry impact firms' financial performance. Typically these topics are covered and early in a strategic management course, and in this usage, the case can serve as a standalone analytical case on the drivers of firm and industry performance. It could also be used as a background note to accompany a case that focuses on the current situation facing a particular airline.

CASE SYNOPSIS

The U.S. airline industry has been plagued by financial losses, bankruptcies, union disputes, and expensive mergers over the past decade. The financial situation appears to be brightening, as the four largest U.S. based airlines each reported operating profits of over \$2 billion in 2014. The history of the U.S. airline industry is described, including the impact of regulatory change and role of mergers and acquisitions in defining the industry structure. Changes in the general environment that impact all airlines are described, as are the key economic drivers within the U.S. airline industry. The key factors that inform a five forces analysis of the industry are explained, as is an understanding of buyer behavior. Profiles of each of the major competitors, and several smaller competitors, help describe how the actions of each firm potentially impact the actions and profitability of other firms in the industry.

RECOMMENDATIONS FOR TEACHING

This case is based entirely on secondary sources, including archival data, news articles, company websites, and earlier case studies. The current case was used as part of a six hour segment on the U.S. airline industry during a strategic management class in June 2015, and subsequently underwent additional revision. This case is designed to help students understand how the external environment, industry structure, and competitive rivalry impact firms' financial performance. This Instructors' Note is written with this approach in mind; that is as an industry note rather than a case study on any particular firm. This case was designed for use in an undergraduate strategic

TAJ HOTELS TAKES AIM AT NORTH AMERICA

Robert Hogan, College of Charleston

John Crotts, College of Charleston

INSTRUCTOR'S NOTES

CASE DESCRIPTION

The primary subject matter of this case is ratio analysis on two potential acquisition targets being considered by Taj Hotels. The case has a difficulty level of three and is therefore appropriate for junior level students. The case was crafted with management or hospitality management courses in mind but given the pervasive use of ratio analysis throughout the business community this case is appropriate for a broad range of courses including finance and accounting. The case is designed to be taught during one, 75 minute class and we expect students will need at least two hours of preparation time outside of the classroom.

CASE SYNOPSIS

This case focuses on using ratio analysis to bring the student to a decision point, namely, which acquisition target is the best choice for Taj Hotels. The case includes background information on Taj and both acquisition targets, as well as financial data and a detailed description and calculation instructions for eighteen different ratios.

NOTE: This case is based on real-life facts, but all of the financials provided are completely fictionalized. As a result the case was developed as a class exercise and should not be used as a source of primary data or illustration of effective or ineffective management.

INTENDED AUDIENCE

While this case can be used in a number of different undergraduate courses, the authors believe the case will work well in the following courses in hotel management, entrepreneurship, finance, and real estate.

Learning Objectives: Students should be able to:

- Calculate all eighteen ratios,

- Explain what each ratio is designed to capture/measure,

- Evaluate each acquisition target and determine which ratio is most favorable, and

- Make an acquisition recommendation based on the ratio analysis.

MATERIALS

For the students this case includes the following:

- The case describing Taj Hotels and the two acquisition targets,

- a detailed description and calculation of eighteen ratios, and

- two-years of financial statements (Balance Sheet and Income Statement) for the acquisition targets.

LANDSLIDE DEVELOPMENT CORPORATION: A CASE STUDY

SKevin R. Howell, Appalachian State University

CASE DESCRIPTION

The primary subject matter of this case is a family owned media agency that has found itself in a business relationship that has soured. Secondary issues include ethical dilemmas with a family owned business. This case was designed for use in a Senior Level Leadership in Technical Settings course. The case is also appropriate for use in a undergraduate business ethics course or management course. The case is designed to be taught in one class hour and is expected to require approximately 2 hours of outside preparation by students.

CASE SYNOPSIS

This case has a myriad of issues involved. It focuses on the management of a real estate development company. The company is growing and is presented with an opportunity to move their operation to the next level. A media company that understands utilizing a specific data mining technique to provide can't miss contact information to the development company to rent out their properties. Marital infidelity causes one member of the development company to sabotage the whole operation. The media company has invested heavily in the project. They expect a large return on their investment and instead find themselves as an unwitting 3rd member of relationship triangle.

TEACHING NOTES

We use this case in conjunction with Peter Northouse's Leadership; Theory and Practice (5th edition). This case provides students with an opportunity to see a very complex combination of issues related to leadership and strategy. All of the main characters have a job to perform. In a perfect world this relationship would have been a smoothly oiled machine. Richard would build the cabins. Jim would mine the data and provide Josephine with the contact info. Josephine in turn would manage the rental of the units. The wrench in the machine was originally Richard's infidelity. Couple this with the prenuptial agreement Josephine signed and there is a no win situation for her. Her feeling of helplessness led to the drastic measure of sabotage of her livelihood. Jim Benson unknowingly steps into this relationship and loses his investment as well. All of the characters end this relationship as losers.

FROM GP TO LLC: MAKING THE RIGHT CHOICE OF ENTITY DECISION

Leigh Redd Johnson, Murray State University

CASE DESCRIPTION

This case requires students to explore the relative advantages and disadvantages of the various forms of business entities through the application of those options to a hypothetical case study. Secondary issues examined include contractual obligations of a business before it is legally formed and raising capital in a start-up business. The case is appropriate for undergraduate juniors (difficulty level: 3) in business law or entrepreneurship classes. It may also be used in a class on partnership and corporate taxation as it explores both federal taxation of business entities and the impact of a state limited liability entity tax. The case is designed to be taught in one to two class hours and is expected to require three to four hours of outside preparation by the average business student.

CASE SYNOPSIS

Peter and Ann Northcutt have an opportunity to open a bed and breakfast on Kentucky Lake, fulfilling Ann's life-long dream of owning such a business, provided that they are able to finance the purchase of the house and initial business expenses with a bank loan. In order to complete necessary renovations on the home, the couple enter into a contract with J.T. Allen, a general contractor. A close friend, Alex Lane, who owns and operates a waterpark in western Kentucky, has suggested that the couple could also convert an adjacent piece of property into a waterpark, increasing interest in the bed and breakfast. In order to open the waterpark, the couple will need additional funds, including investments from Lane and potentially others. However, the Northcutts want to maintain control over the business. The case is designed to explore the (1) advantages and disadvantages of the various forms of business entities given the original owners objectives, (2) contractual obligations entered into prior to entity formation, and (3) issues related to raising capital in a start-up entity.

INSTRUCTOR'S NOTES

Recommendations for Teaching Approaches

This case focuses on selecting the best form of entity structure given the objectives of the organizers / original owners of a business. Instructors may want to use the case in a business law or entrepreneurship class following review of the laws related to sole proprietorships, general partnerships, limited liability partnerships, limited partnerships, limited liability limited partnerships, limited liability companies, C-corporations and S-corporations. The case specifically incorporates various facts that make some entity choices better than others and eliminates some choices from consideration entirely. The case also requires students to consider the risks of pre-entity formation obligations and issues related to raising capital for a new business venture.

EQUATORIAL GUINEA: THE KING'S CATTLE

Marlene C. Kahla, Stephen F. Austin State University
Robert M. Crocker, Stephen F. Austin State University

CASE DESCRIPTION

The project described in this case is the result of a political leader in a small, yet significantly petroleum rich African country, seeking to improve economic conditions and agricultural infrastructure for people in his country, Equatorial Guinea. The leader has hired a project director from Texas. As the project builds in momentum, an additional director steps in to assure that the cattle in the transaction meet required health standards and currency is exchanged based on appropriate United States currency value.

A small country and a large order of cattle create the setting that enables students to be able to apply knowledge of supply chain management on an international basis, develop an understanding of international trade and think beyond the immediate transaction and into customer relationship management (CRM).

CASE SYNOPSIS

A seasoned veteran of raising commercial cattle on the Texas Gulf Coast, Mavis Martin is somewhat of a fledgling to the world of registered Brahman cattle and their popularity throughout the world. She is the reporter in the case, learning as she goes with the help of a new friend, Harry Hudson. Through Harry, Mavis learns of the demand for Brahman cattle throughout the world, economic infrastructures that develop from agriculture, and how efficiently a large, international order for cattle can be filled.

The entire process of responding to the requests of a leader in a small, African nation may meet with failure unless creative thinking takes over and saves the transaction.

INSTRUCTOR NOTES

The case is appropriate for students that are at least college juniors and are studying business management, marketing, international business or agricultural development.

Students should be placed in teams of two or three and given the material to read prior to attending class. Encourage the students to discover more statistics about the world market for beef, beef production and world economies.

The business professor may want to invite one of the professors of agriculture to make comments on the case prior to introducing it, or to attend the class as the teams present their answers to the questions.

NEGOTIATING THE LEVERAGED MANAGEMENT BUYOUT

Dennis Zocco, University of San Diego

CASE DESCRIPTION

The primary subject matter of this case concerns the cross-cultural negotiation of a management buyout (MBO) of a private American company, Energy Management Systems, that had previous financing from Danzig Ventures, a German venture capital firm. The MBO is being financed with equity funds from the management team and a Brazilian private equity firm and debt funds from a Japanese bank. Secondary issues are to understand 1) the elements of a multi-party, cross-cultural negotiation, 2) the rationale and motivations of all parties in a management buyout, 3) the role of debt and equity in a management buyout, 4) the impact of debt and equity terms that affect the deal attractiveness, and 5) the complexities of constructing a multi-party agreement that has value for all parties. The case has a difficulty level of four, appropriate for senior level. The case is designed to be taught in three or four class hours, depending on the student proficiency in finance, and is expected to require three hours of outside preparation by students.

CASE SYNOPSIS

Energy Management Systems (EMS) is an enterprise software company in the U.S. that provides private and public organizations with a strategic and auditable approach to tracking, managing, and optimizing energy usage. Henry Larson, the company's founder and Chairman of the Board, owns 65% of the company. Danzig Ventures, a German venture capital firm, owns the remaining 35%. Danzig made their investment from their Danzig IV fund. Over the past few years, the strategic vision of Ann Blake, CEO of EMS, and her management team has diverged from that of Larson. As a result, Blake and her management team make a \$200 million management buyout (MBO) offer to Larson. He rejects the offer, not wanting to sell his company. However, Danzig is in favor of the buyout, as it gives them the opportunity to sell their shares and realize a gain from their investment. Danzig had a "drag-along" provision included in their investment term sheet that allows them to force a buyout if an offer is made at \$250 million or above. Blake and her management team increase their offer to \$250 million. She begins the process of raising the required financing for the deal. Blake sets the stage for equity financing from Pilar Empreendimentos, a Brazilian private equity firm, and debt financing from Keosho Trust and Banking Co., a Japanese bank. In addition, the management team, led by Ann Blake, will provide some equity. Each of the four parties—the American CEO, the Brazilian private equity general partner, the Japanese banker, and the German venture capitalist—brings its own set of terms to the proposed transaction. After discussions with the equity providers, Blake believes she will fall short of the required \$250 million needed to finance the transaction. Danzig Ventures agrees to participate with an investment from their Danzig Fund V in order to gain liquidity for their EMS shares from the Danzig Fund IV investment. Blake arranges a meeting to negotiate the leveraged MBO deal. The parties to the deal bring their set of objectives to the negotiation. Furthermore, the parties bring their own cultural style of negotiating. The

DEUTSCHE AUTOPARTS, LLC – RECONCILING U.S. GAAP TO IFRS

James A. Weisel, Georgia Gwinnett College

CASE DESCRIPTION

This case focuses on comparing and contrasting U.S. GAAP and IFRS through a case analysis. Students must utilize basic accounting research skills and analytical methods to complete the case. While the case explores only five potential differences between U.S. GAAP and IFRS, they are representative of the current status of the U.S. GAAP - IFRS convergence effort.

*Several issues highlight the more “principle-based” approach of IFRS compared to the so called “rule-based” approach of U.S. GAAP. The case also emphasizes the need for professional judgement in applying accounting standards. Moreover, the case focuses on the **process** of examining the differences between the two sets of standards.*

The case has a difficulty level of three or four and is appropriate in an undergraduate International Accounting course or an upper-division undergraduate course in Financial Accounting and Reporting. At a minimum, students typically have completed an introductory financial accounting and reporting course. Completing the case as an in-class exercise will generally take approximately 2 hours. The case is also suitable as an outside of classroom experience with an expected 2-3 hours to complete.

CASE SYNOPSIS

A U.S. based manufacturer of after-market automobile components has prepared their financial statements in conformance with U.S. GAAP. The entity desires to attract new investors to fund an expansion of operations. Several of the targeted investors are based in Europe and have asked the company’s CPA, the role of the student, to reconcile After-tax Operating Income and Shareholders’ Equity “as if” the manufacturer were to apply IFRS. The investors also use Return on Shareholders’ Equity as a significant measure of performance.

This case is designed to focus on three learning outcomes related to international financial reporting. After completing the case students will understand:

- 1. why accounting standard harmonization, or convergence, is considered important,*
- 2. the current status of the convergence effort of the FASB and IASB,*
- 3. the strategy for reconciling a U.S. GAAP based income statement to IFRS standards.*

LEARNING OUTCOMES AND TEACHING APPROACH

Questions #1-2 focus on understanding of IFRS vs. U.S. GAAP standards in general. While the historical causes for the differences between U.S. GAAP and IFRS is probably beyond the scope of the case, students should understand the current context of the convergence effort of the FASB and IASB and why it is important. Question #3 links the general status of convergence

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

SEXUAL HARASSMENT ON CAMPUS: “HE’S JUST A PERVERT AND EVERYBODY KNOWS IT!”

Federickia Washington, Stephen F. Austin State University
Marlene C. Kahla, Stephen F. Austin State University
Robert M. Crocker, Stephen F. Austin State University

CASE DESCRIPTION

*Sexual harassment has been and continues to be a real problem on college campuses across the United States. Most colleges require faculty and staff training to help identify, prevent, and report sexual harassment. Yet each week reports of sexual harassment flood the television news, draw heated debate on talk shows, elicit intense commentary on social media, are scrutinized and debated in academic media such as *The Chronicle of Higher Education*.*

This case describes a very subtle example of sexual harassment in a collegiate setting. Situated at a small university somewhere in the United States, the principal characters are: Bob Mayberry, Ph.D., a tenured, male professor and director of graduate studies in the College of Liberal Arts; Mary Robin, a female graduate student in the College of Liberal Arts having completed her bachelor’s degree in the College of Business at the same university; Caroline Wallace, Ph.D., a tenured, female faculty member in the College of Business; and Allen Goodnight, Ph.D., a tenured, male department chair in the College of Business.

This case recreates a student’s experience and compresses a series of events into a shorter time frame in an attempt to capture the more indirect aspects of sexual harassment. The case demonstrates the vulnerability of a student whose collegiate success is wholly dependent on a senior tenured faculty member. This culture and political nature of the organization is explored from the vantage of why many people, for a variety of different reasons, choose to look the other way or to completely ignore the deviant behavior of a faculty member. Finally, the case challenges students to address appropriate workplace behaviors and to make discernments when the line between right and wrong has been crossed.

What better setting can be used in the classroom to encourage discussion of sexual harassment in higher education and elsewhere? Many juniors and seniors in college, both female and male, have probably had at least one encounter that they thought might have been sexual harassment. Since students are not required to take “training” in the subject to continue pursuing their degrees, discussions regarding sexual harassment should take place at least once in a semester to heighten their awareness of the topic and prepare them for life after college.

CASE SYNOPSIS

A small university with post graduate programs provides the setting for the scenario. The key player in the case is the female graduate student, Mary. Mary’s undergraduate advisor, Dr. Wallace, is chosen as the confidant whom Mary shares her version of a series of awkward, uncomfortable encounters she has experienced with the director of the graduate program Dr. Mayberry. Mary also tells Dr. Wallace the other things she has heard about the director of her program, Dr. Mayberry.

GENDER DISCRIMINATION AT INDITEX KOREA

Brandon Walcutt, Hankuk University of Foreign Studies

Louise Patterson, Kyung Hee University

Adam Cave, Hankuk University of Foreign Studies

CASE DESCRIPTION

The primary subject matter of this case concerns HR policy issues in Korea involving gender discrimination. Secondary issues examined are HR policy development and implementation, conditional legal adherence issues, and multinational business practices versus domestic approaches. The case has a difficulty level of three or higher. The case is designed to be taught within two class hours and is expected to require one to two hours of outside preparation by students.

CASE SYNOPSIS

This teaching case addresses a situation where a Korean subsidiary of the Inditex Group, a global clothing manufacturing and retailing firm, is confronted with a gender discrimination situation which violates both parent firm policies and local laws, but is consistent with the traditional Korean HR approach. A decision must be made as to how to address the situation. Despite the legal ramifications, there is relatively little business incentive to implement radical change. However, modifications to the status quo, if any need to be made, will have both strategic and tactical implications on their present operations.

CASE QUESTIONS

1. Explore the positives/negatives to Inditex Korea's current HR position in regards to both their external and internal environments.
2. Why hasn't Inditex Korea adhered to the policies and laws set forth by both the Korean government and Inditex's parent firm and should they continue this policy? Look at this situation in terms of the legal, ethical and economic contexts.
3. Discuss the HR implications of multinational control of Inditex versus the institutional pressures of Korean traditional business practices.
4. If Inditex Korea were to seek full adherence to appropriate internationally-accepted anti-discriminatory policies, outline a course of action the firm must take to fully implement the new HR approach?
5. What potential stumbling blocks may be faced in a new HR policy implementation?

CASE STUDY TITLE: BORDER ENFORCEMENT DEPARTMENT: A FACILITATOR OF COMMERCE OR CONSTRAINT ON ECONOMIC GROWTH

Annette Taijeron Santos, University of Guam
Philip S.N. Taijeron, Jr., University of Guam

CASE DESCRIPTION

The case study presents the primary subject matter of a Pacific island government border enforcement agency and its regulatory impact on economic growth from constraints at the island's commercial entry points. Other issues related to this case include national regulations, government organizational culture and management, political and personal agendas, leadership style and ethics, communications, and motivational theory. The case has a difficulty level of five, which is appropriate for first-year graduate students. This case is designed for discussion in four class hours in a management, leadership, government or business course. Students are expected to spend about four hours for outside preparation, consisting mainly of reading the case and of familiarizing themselves with the business environment in the Pacific region.

CASE SYNOPSIS

The case is about a small island nation Border Enforcement Department (BED) experiencing a change in Chief Executive Officer (CEO) leadership. The current CEO for the government department wishes to prepare her organization for an impending burst of economic growth on the island. The CEO desires her department's financial recovery systems to provide funding for the level of operations anticipated. However, the government's budget department imposes financial ceilings on her well-intentioned cost recovery proposal. External demands for economic growth increase the CEO's concern about the adequacy of inspection facilities at her seaport area of operations. The CEO's need to modernize outdated organizational strategies adds to the CEO's growing list of priorities. All these wishes for the future came to a halt when the CEO was notified she was being replaced: change happens. However challenging the change, the outgoing CEO and the BED hope to benefit from the appointment of an incoming CEO who recently completed an MBA at the local university and was awarded top academic performance. The BED should be in good hands. The intent of this case is to provide an opportunity for business students to become aware of the direct applications of business theories and concepts in public entities and the importance of corporate social responsibility through public-private partnerships in the interest of economic growth. The reader is invited to play the role of the managers, identify external and internal forces, determine the major factors that must be addressed to sustain the BED's core competencies, identify ways to reconcile the conflict between the cost recovery system and the department's underfunded budget, prioritize and allocate funding needed to achieve modernization, and establish plans for managing change and re-instilling positive organizational norms.

SCIENTIFIC GASES UNIT, INDURA ARGENTINA

CASE OVERVIEW

This case challenges students to develop a set of opportunities to dramatically increase (over the period 2014-2018) the revenues of the Scientific Gases unit of Indura Argentina. The case is based on data collected by one of the authors in Argentina. The case is appropriate for senior-level undergraduates as well as students in MBA and 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

Mr. Anibal Gervasoni is the newly-appointed product manager of the Scientific Gases unit of Indura Argentina, the Argentine subsidiary of Indura S.A. Indura S.A. is a Chilean company; however, in 2012 Air Products, Inc. (a multinational company headquartered in Allentown, Pennsylvania, U.S.A) purchased a controlling interest in Indura S.A. At the time it was purchased (that is, in 2012) Indura S.A. was the largest independent industrial gases company in South America. While the Scientific Gases unit of Indura Argentina sells a variety of gases (welding, pure and liquid helium, specialty mixed gases, etc.) throughout Argentina, over the last couple of years, the total revenues of the unit have grown very slowly. Based on the recent history of slow growth, the top management of Indura S.A. has taken the position that no additional capital should be invested in Indura Argentina's Scientific Gases unit. Gervasoni, however, suspects that there is enormous potential for the Scientific Gases unit of Indura Argentina; more precisely, he suspects that the Scientific Gases unit should be able (if additional efforts and investments are made) to dramatically increase its 2014 revenues by the year 2018. Last week Gervasoni received an invitation to come to Air Products, Inc. headquarters in Pennsylvania to present to Air Products senior management his analysis of the opportunities available to Indura Argentina's Scientific Gases unit. To assist him in identifying and describing specific opportunities available to the unit, Gervasoni has invited Prof. Carlos Aimar (a business school professor at the University of San Isidro, in Buenos Aires) to develop (within the next 30 days) a set of suggestions as to how the 2013 revenues of \$1,000,000 could be dramatically increased by the year 2018. Information provided in this case study includes:

- 1. Regarding Argentina: Historical overview, a sample of recent demographic statistics from the World Bank, (and for benchmarking purposes, comparable statistics for the United States), plus information on the economy of Argentina.*
- 2. Regarding the company: Business model, current marketing strategy, current performance, and numerous factors impacting that performance.*
- 3. Additional information: Information on customers, information about the competition and competitors, and information about the scientific gas industry in Argentina.*

OLD WORLD BAKED GOODS: AN APPLIED EXERCISE TO DEMONSTRATE ATTRIBUTE SAMPLING

Stephen Perreault, Providence College

CASE DESCRIPTION

The primary learning objective of this case is to demonstrate to undergraduate business students how to use attribute sampling to test internal controls within an auditing context. Upon completion of the case, students should become familiar with 1) the definition and purpose of attribute sampling, 2) the factors which determine the necessary size of a sample, 3) the means of evaluating sample observations, and 4) how to draw inferences from the results of a sampling procedure.

The secondary learning objectives of the case include increasing students' understanding of factors which influence the assessment of audit risk as well as increasing students' understanding of how control testing fits into the overall audit plan. The case has a difficulty level of four and is appropriate for senior level courses, in particular courses which deal with auditing and attestation. The case typically takes approximately one hour of class time to complete and discuss.

CASE SYNOPSIS

Teaching attribute sampling can often be a difficult for auditing instructors, as students often struggle to comprehend how the technique can be applied within a real-world audit setting. This in-class exercise helps to alleviate this difficulty, by giving students the opportunity to demonstrate their understanding of attribute sampling concepts within a realistic auditing context.

Students are provided with a vignette describing the company being audited and also presented with selected financial statement information. The vignette also describes an internal control that, if operating effectively, may be relied upon to reduce the auditors' assessment of control risk. Using this information, they are required to develop an attribute sampling plan to test whether the control actually is operating effectively.

A unique feature of this exercise is that students are provided with outcome-feedback at its conclusion. That is, they are not only asked to design an attribute sampling plan, but to execute the plan in-class as well, requiring them to determine whether the results of their procedures suggest that the internal control can be relied upon. A series of de-briefing questions is also provided which allows for classroom discussion of the relevant issues examined in the case, as well as integrates a discussion of how attribute sampling fits into the overall audit plan and assessment of audit risk.

SAGE HILL INN ABOVE ONION CREEK: FOCUSING ON SERVICE QUALITY

Michael W. Pass, Sam Houston State University

CASE DESCRIPTION

This case helps students improve their understanding of consumers' evaluations of service quality by having them describe consumer expectations and factors that influence them. It also helps them understand research methods used to measure and monitor consumer expectations and perceptions as well as identify potential service failure points. The case difficulty level is 3-4, so it is suitable for undergraduate junior or senior level students taking services marketing or services management courses. It is designed for use in conjunction with the introduction of these specific topics: Five Dimensions of Service Quality, SERVQUAL, Research Design, and Service Blueprinting. The case is based on information from discussions between the author and Amy Dolan, innkeeper of Sage Hill Inn Above Onion Creek. In addition to the case, the website ([Sage Hill Inn-Boutique Hill Country Inn](#)) should be accessed for information.

A field test was undertaken with two undergraduate student classes taking a services management and marketing course. Seventy-eight students completed the case by working in teams of three students. The research methods topic requires up to an hour to teach in class while the other three topics are covered in about 30 minutes. Discussion of case answers takes

15-30 minutes. The time outside of class is generally two hours to prepare an answer for each case question.

CASE SYNOPSIS

Sage Hill Inn Above Onion Creek is located 25 miles south of Austin, Texas and a few hours drive from San Antonio and Dallas. Formerly known as the Inn Above Onion Creek, the property was purchased in 2012 by Eric Goldreyer, founder of [bedandbreakfast.com](#), and John Banczak, former president of the internet firm. Features and services have been enhanced in order to attract new guests while continuing to appeal to guests that stayed there when it was known as the Inn Above Onion Creek. A conversation between Amy Dolan, the innkeeper, and a consultant indicates three needs: (1) the need to understand guests' expectations, (2) the need to determine and monitor guests' perceptions, and (3) the need to identify potential service failure points.

Students take the consultant's role when completing the case. They first describe each dimension of the Five Dimensions of Service Quality including examples of guests' expectations for a hotel stay. Students are also asked to describe factors that may influence formation of the expectations. To improve their understanding of how to measure the dimensions, they also study the use of SERVQUAL within the hotel industry. Students then describe research methods that can be used to measure and monitor guests' expectations and perceptions. Finally, they learn how to analyze service blueprints to determine potential service failure points.

W2 SYSTEMS: STRATEGICALLY MANAGING PUNCTUATED FAMILY BUSINESS SUCCESSION

Michael D. Meeks, Louisiana State University-Shreveport
Tami L. Knotts, Louisiana State University-Shreveport

CASE DESCRIPTION

The W2 Systems case deals with key aspects of necessitated family business succession including family post-traumatic stress, surviving spouse power, family obligation, customer and employee loyalty conversion, reputation management, strategic redirection, corporate DNA altering or reaffirmation, and career redirection and adaptation. Other issues highlighted by this case include (1) strategic planning and vision development for the visionless company Kirk inherited in 2006, (2) the reallocation of power and ownership in the aftermath of family trauma, and (3) the individual career desires versus family obligation faced by surviving family members.

W2 Systems presents an opportunity to apply key “family” theories to a living case, such as Family Development Theory, Quotidian Family Life, Work-Life Balance, Family Stress Theory, Family Systems Theory of Roles and Adaptation, Social Exchange Theory, Family Systems Theory, and Biosocial Theory. In addition, the case can address key entrepreneurial concepts such as types of entrepreneurship including necessity, lifestyle, specialist, and transgenerational; types of entrepreneurs including technicians, managers, innovators, and salespersons; as well as topics such as legal business structure, venture finance, risk management, and venture lifecycle.

CASE SYNOPSIS

Succession remains atop the list of critical factors facing family businesses. A special case of succession occurs when the process is punctuated by a death or debilitating illness at the top of an organization, resulting in the need for an immediate succession decision. This case study is about just such a situation, an examination into the history and abrupt transition of W2 Water Systems.

W2, a California company, was founded in 1986 and remains a family owned and operated business which designs and sells custom water treatment systems for commercial applications. Kirk Howard, while working part time during his high school years in the family business, had no intention of joining his father’s company, choosing instead to forge his own legacy. In December 2004, Kirk was notified that his father had just been diagnosed with a life-threatening illness.

While the case represents a relatively small SME, the company has potential for growth. Can and should Kirk pursue a growth strategy in face of market indicators and opportunities, or should he remain in survival mode and tend primarily to the financial needs and emotional healing required within the family? Kirk also attempts to determine his options and balance his obligations to his family and his ambitions to pursue a career outside the family business.

INTO THE BLACK WITH BLUEBERRIES: TO BUY OR NOT TO BUY—A BUSINESS ANALYSIS CASE STUDY

Penelope Lyman, University of North Georgia
Stephen W. Smith, University of North Georgia

CASE DESCRIPTION

This case study is designed for use in undergraduate business courses. The primary use of this case study is to help students determine whether the profitability of the business in question over the last twelve years justifies the purchase of additional contiguous property to expand and to support future growth. To conduct this evaluation and make a recommendation, students will need to utilize the principles learned in their economics and accounting courses and be familiar with spreadsheet software. The case has a difficulty level of two to three and is appropriate for junior or senior-level undergraduates taking an Entrepreneurship or Small Business Management course. The case should require approximately half an hour of class time to summarize and three to four hours of outside student preparation.

CASE SYNOPSIS

The purpose of this assignment is to determine whether Whippoorwill Blueberries Farm, a small Georgia-based agribusiness producing annual crops of blueberries since 2004 should expand in order to meet an increased demand for blueberries in the area. The owners are considering investing additional resources to purchase contiguous property so that they can plant more blueberry bushes to increase their crop production. This case involves the student in evaluating the efficacy of the farm's current operations and the strength of its financial position and in determining whether the suggested expansion plan is viable. The student will be required to prepare a SWOT (strengths, weaknesses, opportunities, and threats) analysis and to develop a supported recommendation based on qualitative and quantitative factors for the business regarding the proposed expansion.

RECOMMENDATIONS FOR TEACHING APPROACHES

This case is appropriate for junior or senior undergraduate Entrepreneurship or Small Business Management courses. The case is designed to be an out-of-class assignment that requires individual students to illustrate the application of accounting and economic principles. However, the case could be assigned as an outside group project as well. Based on the end-of-case assignment questions, students will evaluate the case quantitatively and qualitatively in order to develop a recommendation for the proposed expansion. Quantitatively, the students will be asked to prepare the following analyses: cash flows (cash-basis income statements), including sensitivity analyses, cash payback periods, and an ROI profitability measurement. Students will also be expected to prepare a SWOT (strengths, weakness, opportunities, and threats) analysis to clarify the qualitative factors that might impact their recommendation. Finally, the students should prepare an evidence-based recommendation for the proposed expansion.

The instructor should plan to spend no more than thirty minutes in class outlining the case requirements. The case has three deliverables: a SWOT analysis, spreadsheets based on a

THE CATAWBA NATION: GAMING AND ECONOMIC DEVELOPMENT

Cara Peters, Winthrop University
Jane Boyd Thomas, Winthrop University
Stephanie J. Lawson, Winthrop University

CASE DESCRIPTION

The primary subject matter for this case is strategic management. Secondary issues examined include business and society, economic development, and public policy. The case has a difficulty level appropriate for senior level courses. The case is designed to be taught in one class session equivalent to one and a half hours (specifically if an assigned group of students does a 20-30 minute presentation of their analysis and recommendation and the rest of the period is spent for discussion (through question and answer)). It is expected to require between four and six hours of outside preparation by students.

CASE SYNOPSIS

Native American tribes have had to strategically seek out economic development opportunities in order to support their existence over time. Many of these groups have faced great adversity and have had success in developing profitable gaming and casino operations that benefit the tribe as a whole. In this case study, we examine the plight of the Catawba Indians and their interest in pursuing a gaming strategy within the states of North and South Carolina. However, the case also illustrates that the Catawbas faced several barriers to entry in pursuing this strategy that presented significant obstacles to be overcome.

INTRODUCTION

Despite the decimation of the Catawba tribe to small pox, the cessation of its homelands to the state of South Carolina, the lack of consistent recognition by the federal government, alleged corruption among its past leadership, and its ongoing economic struggles, the Catawba Indian Nation has managed to maintain its presence and even grow within the state of South Carolina. At one time, the tribe even had a successful bingo hall that generated significant revenues. However, in 2006, the bingo operation was closed. The tribe was now studying new initiatives for economic development and a casino strategy was back in the consideration set. Bill Harris, Chief of the Catawba Nation, was concerned. There were many barriers to entry in pursuing this strategy that the tribe would have to overcome before they would be able to create a casino business that had potential to generate profits. The case presents an interesting subject matter for students because it illustrates how culture, history, politics, and economic development impact strategic management.

BIG DREAMS AND LITTLE MONEY FOR SPEECH RECOGNITION: REVENUE GENERATION BY OUTSOURCING RESEARCH AND DEVELOPMENT

**Rebecca Martin, McNeese State University
Christophe Van Linden, Belmont University & KU Leuven**

CASE DESCRIPTION

This case concerns revenue recognition of software licenses. In particular, students play the role of a financial audit senior who must evaluate audit evidence concerning a licensing scheme of speech recognition technology. Based on the evidence in the audit file, students should draw a conclusion about whether revenue is materially misstated in the financial statements of the IT company according to International Financial Reporting Standards (IFRS). The case also illustrates the importance of independence during the audit. The case will expand students' understanding of risks related to revenue recognition and the implications and limitations of the concept of professional skepticism during a financial audit. The case also provides students with a perspective as to which challenges they will face once they are employed as an auditor. The case requires students to have an introductory knowledge of accounting and auditing and is appropriate for senior level students in accounting or auditing. The case is designed to be taught in 1-2 class hours and is expected to require 3 hours of outside preparation by students.

CASE SYNOPSIS

The case is based on actual facts and chronicles the transformation of an IT company from a small local private company to a global player publicly traded on NASDAQ. The company was founded by two businessmen who envisioned transforming the world with speech recognition technology. Due to its fast growth, investor interest, and the complexity of the business, the auditors considered the company a high risk client. The financial audit was conducted by a Big 4 audit firm with affiliates in several countries, and the company falls under IFRS for financial reporting purposes.

Since research and development costs are a financial burden for the IT company, management decided to start outsourcing developed speech recognition technology to interested parties overseas to further develop the technology into different language modules. The company record the license fees paid by overseas entities as revenue in the financial statements. Audit evidence related to this licensing scheme has been collected during the financial audit. The audit senior has to evaluate the audit evidence documented in the audit file and conclude whether the evidence provides sufficient assurance regarding the revenue recognition practices, whether additional evidence should be obtained and whether revenue is materially misstated or not.

Additionally, during the current year audit the lead engagement partner leaves the audit profession and starts to work for an entity related to the IT company. Consequently, the audit senior has to report possible independence threats into an independence reporting template and must decide whether it is suitable for the audit firm to continue performing the audit of the IT company.

WARWICK MERCHANTS FLEET: AN INTEGRATIVE CASE

Susan L. Swanger, Western Carolina University
Roger Lirely, University of Texas at Tyler
N. Leroy Kauffman, Western Carolina University
Reed A. Roig, University of North Carolina at Asheville

CASE DESCRIPTION

The primary subject matter of the case is accounting for certain repetitive maintenance costs occurring at multi-year intervals. The case asks students to consider whether a more meaningful measure of periodic economic performance is obtained by allocating a part of these costs to each accounting year or by allocating all of the cost to the year in which the maintenance takes place. The students are confronted with key issues in accounting theory involving expense and liability recognition, industry practices, definitions of the elements of financial statements, the matching principle, objectives of financial reporting, and the issue of income smoothing. Secondary issues emerge when students are asked to also consider the tax, auditing, and ethical implications related to the various choices in accounting principles. Because this case integrates knowledge across the curriculum, it has a difficulty level of four to five, appropriate for either senior level or master's level courses. The case can be assigned with no advance instruction required and can be assigned to individuals or teams. Estimated time to complete the case is fifteen hours.

CASE SYNOPSIS

A decision must be made about how to account for materially significant maintenance costs that occur periodically every few years. In this particular case, management prefers allocating a part of the costs to each annual accounting period as opposed to charging all of the costs to the annual period in which they are incurred. Management believes this is the most accurate way to account for the costs because each accounting period benefits from the maintenance and therefore each accounting period should be charged with some of the costs. In addition, management prefers allocating the costs to each annual accounting period because this will have the effect of smoothing periodic income, and will avoid overstatement of income in annual accounting periods that had no maintenance and the related understatement of income in annual accounting periods in which maintenance was actually performed.

Students take on the role of CPA firm staff members in researching and evaluating the accounting, tax, auditing and ethical implications. Students must use appropriate research databases and methodologies, and consider information discretely embedded into the case materials. Findings and conclusions are then documented in the form of a written memorandum to the partners of the CPA firm.

PALACE FURNITURE

Vlad Krotov, Murray State University
Blake Ives, University of Houston

CASE DESCRIPTION

“Palace Furniture” is a fictional teaching case based on one of the author’s experience with furniture stores in the United Arab Emirates (UAE). The case has several unique characteristics that make it a valuable teaching tool for an introductory course in Management Information Systems (MIS): first, it exposes students to typical problems in an emerging economy; second, the case gives students a small introduction into the culture, economic environment, and business practices of the Persian Gulf states; third, the case highlights some of the most important concepts of an introductory course in MIS; fourth, the case is fairly short; finally, the case is written in simple English – this makes it appropriate for business schools outside of the United States (particularly, business schools in the Middle East), where a majority of students may have English as a second or even third language. While fictional case studies may lack realism, they can be tightly aligned with the teaching objectives of a course (Phillips, 1995). Thus, the case can be used both in class and as a part of a homework assignment to introduce students to core MIS concepts.

CASE SYNOPSIS

In 1962, Saeed Al Shamsi, a carpenter from Yemen, migrated with his family to Abu Dhabi. In Abu Dhabi, Saeed opened a small woodworking shop, where he produced and sold various wooden items, such as boxes for storing dates, chests, well covers, benches, etc. In the mid 1970s, Ahmed, Saeed’s oldest son, assumed the responsibility of running his father’s shop. By the mid-1990s, Ahmed transformed his father’s company into a successful multi-million luxury furniture producer with more than 30 employees. While Palace Furniture had enjoyed a steady and impressive growth since its inception, the company’s profitability began to decline in the late 1990s. Unable to find a solid plan for revitalizing the company, Ahmed decided to transfer the responsibility of running the company to his younger brother – Yousif.

Yousif Al Shamsi, a graduate of a prestigious MBA program in the UK, assumed the role of the CEO of Palace Furniture in 2002. In an attempt to minimize costs, gain access to expertise generally lacking in Abu Dhabi, and increase the client base, Yousif decided to spread out operations across several locations. The company’s headquarters in Abu Dhabi hosted the business functions of Sales & Marketing, Human Resources, and Finance & Accounting. The company’s Production & Operations function was spread across two offices: a design office in Dubai and a production facility in Al Ain. In addition to that, Yousif decided to open showrooms in neighboring Emirates: Dubai and Sharjah. Finally, furniture deliver was outsourced to a third party. These changes resulted in lack of coordination across the company. This undermined customer services –obviously unacceptable given the company’s premium pricing and a target market consisting of upscale clientele. Overall, with all these reorganizations, the company lost something very important to its identity and business.

DUMB STARBUCKS: PARODY OR CLEVER MARKETING PLOY? A TEACHING CASE

Ida M. Jones, Director, California State University
Lynn M. Forsythe, California State University
Deborah J. Kemp, California State University

CASE DESCRIPTION

The primary subject matter of this case concerns the legal environment of business, intellectual property, and business ethics. Secondary issues examined include the law of trademark, trade dress, fair use, and parody. Another secondary issue is whether the opening of Dumb Starbucks was an effective marketing technique to gain publicity for Nathan Fielder and/or Comedy Central. The case has a difficulty level of three: it is appropriate for junior level students or higher. It can be used successfully with more advanced students. Faculty should expect a more sophisticated level of analysis from more advanced students. The case is designed to be taught in one class hour. Most students can prepare in two hours outside of class.

CASE SYNOPSIS

In 2014 Nathan Fielder, a comedian, opened an establishment in Los Angeles that he called Dumb Starbucks. He used Starbucks' famous trademark and inserted "Dumb" in front of it. He also used a number of terms associated with Starbucks coffee shops. News media reported on the opening of Dumb Starbucks and Dumb Starbucks became famous. Dumb Starbucks was giving its drinks away for no charge. Some individuals reportedly waited three hours for a free drink from Dumb Starbucks. Fielder claimed that he can legally use the Starbucks' name and logo because he is making a parody of Starbucks. The case asks students to analyze whether Starbucks' name and logo are generally entitled to trademark protection. If they are entitled to trademark protection, does Fielder have an effective legal defense under fair use and/or parody. The case is ideal for student analysis since the case was not litigated. Dumb Starbucks was only open for a few days before the Los Angeles County Department of Public Health closed it down for failing to obtain the necessary permits.

DUMB STARBUCKS: PARODY OR CLEVER MARKETING PLOY? A TEACHING CASE

Faculty should assign students to read the case, view the Nathan Fielder video online at Dumb Starbucks, http://www.youtube.com/watch?v=Bo_deCOd1HU, and read the appropriate pages in the course textbook, for example, pages 224-226 in *The Entrepreneur's Legal Companion*, 1 e., by Davidson and Forsythe, or pages 939-942 in *Business Law: Principles and Cases in the Legal Environment*, 2 e., by Davidson and Forsythe. Most business law textbooks have a chapter on intellectual property, which includes trademarks. In the alternative, the instructor could ask that students read one of the following online description of trademark law: <http://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm> . <http://www.law.cornell.edu/wex/trademark>. These instructors' notes contain suggested questions and background information to enable the instructor to become familiar with the legal and ethical topics. The Instructor's Notes are organized around these main topics:

INSTRUCTORS' NOTES: BIG AL'S PUMPS: BIG AL NEEDS YOUR HELP

John p. Osborn, california state university

CASE DESCRIPTION

All three requirements of the case can be used relatively early in a forensic accounting course, or any other accounting course, as exams, in class assignments, homework, or extra credit assignments. The three requirements can be used separately. All three requirements have been student tested in a senior level forensic accounting course.

When scheduled relatively early in a Forensic Accounting course, the case has improved student learning by providing an opportunity to review financial accounting and internal control rules. Even senior level accounting students benefit from applying the rules to a big picture scenario. The application of the rules to financial and internal control issues in a practical setting enables students to be better equipped to solve the advanced problems that are encountered later in the Forensic Accounting course. When combined with lecture, the case helps students get up-to-speed with their understanding of financial accounting, internal control, and the relationship between the two sets of rules.

The case can be used in any accounting course after basic financial accounting topics, including internal control, have been covered. It is beneficial for students to have a sufficient grasp of financial accounting and internal control rules. All three requirements of the case have been student tested in a Forensic Accounting course after the applicable topics were reviewed in class. The individual requirements, or the entire case, can be assigned either as an in-class assignment, group project, take home assignment, or exam.

In the Forensic Accounting course students were given two hours in class to solve requirement one and another two hours for requirements two and three together for a total of four hours total in class time for the three requirements. The student in-class time is divided in half, with the first half consisting of each student working independently and the second half working in an informal group of three or four students. The three requirements of the case can easily take another four hours for the instructor to discuss in class. Because of the time required to complete each requirement it is recommended the requirements be assigned separately. It is also recommended requirement one be covered first as it is the most time consuming and requires the most comprehensive analysis of the three requirements.

The case consists of factual information for a business entity and three requirements suitable for solution by students in accounting courses. Requirement one is the identification of current year accounts that should be further analyzed because the account balances may not be correct. Requirement Two asks students to analyze financial and related information to identify fraudulent schemes that could potentially be perpetrated by employees. Requirement Three asks students to identify the effects on specific accounts and elements of financial statements based on additional facts provided that detail a theft of cash perpetrated by an employee.