

Revenue Case Assignment

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1 Purpose

The purpose of this assignment is to provide the graduate students in ACTG-502 an opportunity to challenge themselves with a more real-world case. The cases are chosen to reflect the material covered in chapter 6 and are based on real-world situations encountered at firms implementing the new revenue recognition standard, ASC 606. The required outputs are also reflective of documentation requirements in the real-world. Students should be able to use this experience to help them understand and communicate with future employers about the accounting for revenue, analyzing real-world situations, and providing feedback.

2 Cases

There are two cases, “Mesmerizing Marketers” and “Nailed-It Construction.” The cases are provided on blackboard under *502 Material*. Students are assigned one of the two cases for which they need to prepare a write-up. After they have prepared their write-up, students will be assigned a peer review of a case write-up (of the other case). Case and review assignments will be communicated over email.

3 Case Write-up

The case write up should be no more than three pages, including tables and exhibits. The objective is not to provide only a numerical answer, but an analysis supporting what you think is the appropriate accounting. The cases are intentionally vague to encourage you to perform your own research and describe the conclusions you think a controller or CFO would need to understand about accounting under the circumstances. That said, a general discussion of revenue recognition principles is not useful. The conclusions need to be specific and actionable by the firm and appropriately supported by your discussion.

4 Peer Review

The ability to effectively provide constructive comments on work that is not your own is an important skill required in the professional world. To that end, each student will be assigned a case to review. You will review a write-up of the case you were *not* assigned, as this reflects the real-world situation of having to review delegated work. Your review should not exceed two pages including tables and exhibits. Your review should focus both on the appropriateness of the conclusions in the write-up and facts or principles not considered in the write-up. The purpose is to provide actionable, constructive, and genuinely helpful

feedback to a receptive team member on whom your success depends. Providing your own version of a case write-up does not qualify as a constructive review.

5 Requirements

Each student should submit their own case write-up and peer review in PDF format by the deadline via email to vraval@uic.edu. Documents must be edited for readability and formal business presentation, including spelling and grammar, clear and concise writing, consistent formatting, font choice, headers and footers, page numbering, spacing, tabular presentation, block quotes, and other elements of formal writing. *All submitted documents should be free from any names or identifying information.* All case write-ups and reviews will be paired and shared on Blackboard for students to see how their peers tackled the cases. Failure to follow instructions will result in severe grade penalties.

6 Due Dates

- Your case write-up is due Friday, October 18, 2024.
- The cases write-ups will be sent to students for review on or before Monday, October 21, 2024.
- The peer review of the case write up is due Monday, November 4, 2024.

7 Grades

This project counts for 66% of the project grade for the class. Half of this project grade is based on the write-up and half is based on the review. Grades are based on the degree to which the documents follow the instructions above, the completeness of considerations, and the insights demonstrated.