

ACCT 401, CADW – Advanced Accounting – Spring 2023
Writing Assignment

Gilead Sciences and Immunomedics Business Combination

You are a senior auditor working for Ernst & Young LLP (EY). Gilead Sciences, Inc. is your primary audit engagement, and you were involved in the audit of its business combination with Immunomedics, Inc. in 2020. Let's assume a new manager at EY, John Smith, was just assigned to the audit engagement. Assume you have already been introduced to John and are engaging in daily communications via email. In your last meeting, John asked you to provide him with a brief summary of the major components of the deal. In particular, John asked for the following information:

- Closing date and type of business combination (statutory merger, statutory consolidation, or control without dissolution – please select one of the three types we discussed in class and explain what this means for the two entities in your own words).
- Key motivations behind this combination.
- Total purchase consideration (amount and type – cash, debt, stock, or other type of payment).
- Related costs of business combination (amount and type) and how they were accounted for.
- A table that summarizes the allocation of consideration transferred to assets acquired and liabilities assumed (Utilize your own formatting to effectively condense this information; do not copy and paste directly from 10-K).
- The amount of goodwill recognized and the Company's qualitative explanation for it.
- 1-2 sentences summarizing your findings from the Quarterly Revenue Analysis and the implications for the overall success (if any) of the acquisition (See Assignment Part II).
- A recent update on Gilead Sciences and the related acquisition (from a current news article).

YOUR ASSIGNMENT PART I:

Write an organized and concise email (1-page max) to provide the requested information to John.

Resources: Please use the following resources to get started:

News and Press Releases

- <https://www.gilead.com/news-and-press/press-room/press-releases/2020/9/gilead-sciences-to-acquire-immunomedics>
- You must incorporate at least one other relevant news article (details for how to cite are provided below).

Company Filings with Reported Financial Information

- Gilead Sciences, Inc. Form 10-K filed 2021-02-25 from EDGAR Filings (Refer to **Note 6 – Acquisitions**).

How to Look up EDGAR Company Filings

- Go to <https://www.sec.gov/>
- Click on **Filings**
- Click on **Company Filing Search**

- Under **Company and Person Lookup** type “GILEAD SCIENCES, INC.”
- Click **Search**
- Under **Filing Type** input “10-K”
- Click **Search**
- Click on the Form 10-K **Document** referenced above

YOUR ASSIGNMENT PART II:

For the automation component, please also incorporate the following request:

John Smith also asks you to create a “Quarterly Revenue Analysis” to monitor any post-acquisition trends. The report will pull data from quarterly revenue files and must be updated at the end of each period. To save time in future periods, you decide to automate the report in Excel. Include this report as an Excel attachment to the email from Part I. Please reference this attachment in the narrative of your email and provide 1-2 sentences summarizing your findings and the implications for the overall success (if any) of the acquisition.

Summary of Required Automation Tasks

- 1) **Record Macro to Automate Creation of “Q1-Q3 Clean” Tabs:** Record an Excel Macro to clean and format the raw quarterly revenue files “Q1-Q3 Raw” tabs. For your Macro to be successful, I should be able to re-run it on each raw quarterly revenue file and get the formatted output shown in the “Q1-Q3 Clean” tabs in the “vFinal” excel file.
- 2) **Use Formulas to Automate Creation of “Quarterly Revenue Analysis” Table:** Use formulas in Excel to both grab and calculate the information from your “Q1-Q3 Clean” tabs and create the “Quarterly Revenue Analysis” table in the “Summary Table” tab. You will be asked to incorporate the following formulas: VLOOKUP, direct linking, and simple mathematic calculations. For your automations to be successful, I should be able to paste in new clean data files from different dates within the “Q1-Q3 Clean” tabs and your “Summary Table” tab should automatically repopulate. Your summary table should match to what is shown in “vFinal” excel file.

Files Provided:

- “Writing Assignment – Automation Component – **vBlank**” excel file
 - This is the file you will automate and turn in. Detailed instructions are included in the first tab.
- “Writing Assignment – Automation Component – **vFinal**” excel file
 - This file is your hardcoded model for what the final formatting and output should look like on each of the tabs in the template.

Resources: Please use the following additional resources as a guide to automation tasks:

YouTube Tutorials

- [How to Use VLOOKUP in Excel](#)
- [How to Record a Macro in Excel](#)

GENERAL REQUIREMENTS:

Format: For your email use 12-point font and single spacing. Your email narrative should be no more than 1 page in length (tables or graphs may go onto the second page but should be referenced as “attachments” in the email narrative). Double space between paragraphs, and do not indent the first line of each paragraph. I suggest using subheadings and bullet points to organize your email. For financial figures, you must create your own formatted summary tables (do not copy and paste from EDGAR). Be sure to include an appropriate email “Subject” line and appropriately address the email to John Smith based on the context of the case. Your email should be dated as of today’s date.

Include the Following Email Header:

From: Your full name

To: John Smith

Date: Today’s date, time

Subject: Write an appropriate subject line here

Citations: At least 1 outside source is required for this assignment. This outside source must be cited in the email. You do not need to cite the provided resources.

To cite, please use footnotes or endnotes. You can use the "insert footnote/endnote" command from the "references tab" in Word. This should be done at the end of the sentence for which you used the reference, with the reference cited at the bottom of the page next to the corresponding footnote/endnote number. The font size of cited references at the bottom can be reduced to 10pt. Please give me enough information in the citation to be able to find the article (Author, date, title of article, source, web link). Please use *strong* sources that add to the information content. Investopedia citations are discouraged.

Plagiarism: You must do your own work. I will consider it plagiarism if your wording is similar to another student (where a student modifies his/her draft based on the work of another student).

Office Hours: I *will not* pre-read or pre-grade your drafts before the due date. This course is structured so that each graded draft builds upon comments received from the prior draft. There are multiple submissions to provide the opportunity for improvement. For each graded submission, I provide detailed written comments to guide you in your revision.

If you have *specific questions* on the assignment requirements or my written comments, we can discuss these questions together in office hours. Please come to office hours prepared with your questions in advance.

Please keep in mind, I *will not* answer questions related to whether or not your researched facts about the case are “correct” or “incorrect” as this would not be fair to the other students. It is your job to apply the content learned in class to the real-world setting and make appropriate interpretations.

Advanced Writing Student Learning Outcomes:

Contexts and Purposes

Students will:

- write with the mastery of a student advanced in an area of study by distinguishing and responding to audiences, occasions, and discursive contexts

Content, Sources, and Evidence

Students will:

- use relevant and persuasive content based on mastery of the subjects and conventions appropriate to the area of study
- use credible sources to develop ideas and arguments that are effective within the area of study
- cite sources accurately according to the style of the area of study

Mechanics

Students will:

- make effective use of process writing, including pre-writing, revision, and editing
- write clearly and fluently in formats relevant to the area of study, with few errors in syntax and grammar.

Technology in the Accountancy Profession Learning Outcomes:

Utilizing and Leveraging Technology

Students will:

- develop and implement simple automation strategies for repetitive accounting tasks.

Grading Rubric:

Each draft will follow the rubric below (50pts per draft / 100pts total per assignment)

Points Possible: 50	Meets or Exceeds Expectations	Approaches Expectations	Below Expectations
Contexts and Purposes 10	10 Response carefully takes into consideration the specific audience and context outlined in the case. There is appropriate and consistent tone, formatting, and length for the type of business communication.	8 Response generally takes into consideration the specific audience and context outlined in the case. There is somewhat inappropriate or inconsistent tone, formatting, and length for the type of business communication.	6 Response rarely takes into consideration the specific audience and context outlined in the case. There is mostly inappropriate or inconsistent tone, formatting, and length for the type of business communication.
Content, Sources, and Evidence 20	20 Content, sources, and evidence are consistently relevant, reliable, accurate, and persuasive. Student addresses all items requested in the case. Citations are provided for all outside sources.	16 Content, sources, and evidence are generally relevant, reliable, accurate, and persuasive. There is some inconsistency and/or inaccuracy in the information presented. Student addresses all items requested in the case. Citations are provided for all outside sources.	12 Content, sources, and evidence are somewhat relevant, reliable, accurate, and persuasive. There are many inconsistencies and/or inaccuracies in the information presented. Student does not address all items requested in the case. Citations are not provided for all outside sources.
Composition & Sentence Structure 5	5 Thoughts are well organized throughout. Good sentence structure throughout.	3 Thoughts are generally organized throughout. Some sentences could be improved for reading clarity.	2 Thoughts are mostly disorganized. Many sentences need improvement for reading clarity.
Grammar, Spelling, Units 5	5 Grammar, spelling, and punctuation provide no distraction throughout. Units are correct and consistent throughout.	3 There are a few errors in grammar, spelling, and punctuation. There are a few examples where units are incorrect or inconsistent.	2 There are excessive errors in grammar, spelling, and punctuation. Units are incorrect or inconsistent throughout.
Automation Component 5	5 Student successfully completes the automation task.	3 Student completes the automation task, but there are a few minor issues.	2 Student completes the automation task, but there are many issues for which the template does not properly function.
Timeliness 5	5 Response is turned in on the due date assigned.	0 Response is not turned in on the due date assigned.	0 Response is not turned in on the due date assigned.