

This International Student Edition is for use outside of the U.S.

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DATA ANALYTICS *for* ACCOUNTING

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Data Analytics for Accounting

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Vernon
J.
Richard
*Univers
of
Arkans
Baruch
College*

Ryan
A.
Teete
*Univers
of
Pittsbur*

Katie
L.
Terre

*Univers
of
Arkansc*





DATA ANALYTICS FOR ACCOUNTING

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Dedications

My wonderful daughter, Rachel, for your constant love, encouragement, and support. You always make me laugh and smile!

—Vern Richardson

To my three wonderful little Teeter tots, who keep me on my toes.

—Ryan Teeter

To the Mustache Running Club. Over many miles you all have learned more about accounting data analytics than you ever hoped for! Thanks for all of your support—on and off the trail.

—Katie Terrell

Preface

Data Analytics is changing the business world—data simply surround us! So many data are available to businesses about each of us—how we shop, what we read, what we buy, what music we listen to, where we travel, whom we trust, where we invest our time and money, and so on. Accountants create value by addressing fundamental business and accounting questions using Data Analytics.

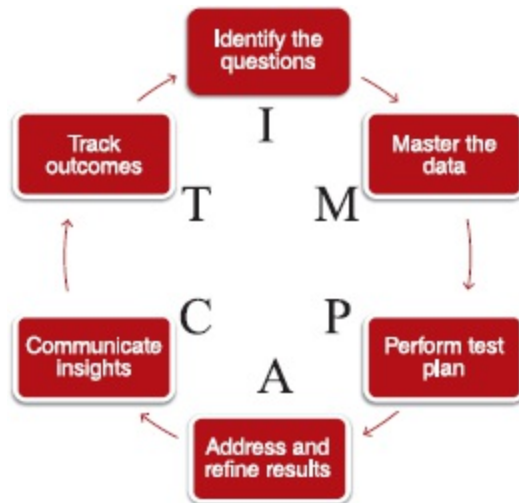
All accountants must develop data analytic skills to address the needs of the profession in the future—it is increasingly required of new hires and old hands. *Data Analytics for Accounting, 3e* recognizes that accountants don't need to become data scientists—they may never need to build a data repository or do the real hardcore Data Analytics or learn how to program a computer to do machine learning. However, there are seven skills that analytic-minded accountants must have to be prepared for a data-filled world, including:

1. Developed analytics mindset—know when and how Data Analytics can address business questions.
2. Data scrubbing and data preparation—comprehend the process needed to clean and prepare the data before analysis.
3. Data quality—recognize what is meant by data quality, be it completeness, reliability, or validity.
4. Descriptive data analysis—perform basic analysis to understand the quality of the underlying data and their ability to address the business question.

5. Data analysis through data manipulation—demonstrate ability to sort, rearrange, merge, and reconfigure data in a manner that allows enhanced analysis. This may include diagnostic, predictive, or prescriptive analytics to appropriately analyze the data.
6. Statistical data analysis competency—identify and implement an approach that will use statistical data analysis to draw conclusions and make recommendations on a timely basis.
7. Data visualization and data reporting—report results of analysis in an accessible way to each varied decision maker and his or her specific needs.

Consistent with these skills, it's important to recognize that Data Analytics is an iterative process. The process begins by identifying business questions that can be addressed with data, extracting and testing the data, refining our testing, and finally, communicating those findings to management. *Data Analytics for Accounting, 3e* describes this process by relying on an established Data Analytics model called the IMPACT cycle:¹

1. **I**dentify the questions.
2. **M**aster the data.
3. **P**erform test plan.
4. **A**ddress and refine results.
5. **C**ommunicate insights.
6. **T**rack outcomes.



Adapted from *Win with Advanced Business Analytics: Creating Business Value from Your Data*, by Jean Paul Isson and Jesse S. Harriott.

The IMPACT cycle is described in the first four chapters, and then the process is illustrated in auditing, managerial accounting, financial accounting, and taxes in Chapters 5 through 9. In response to instructor feedback, *Data Analytics for Accounting, 3e* now also includes two new project chapters, giving students a chance to practice the full IMPACT model with multiple labs that build on one another.

Data Analytics for Accounting, 3e emphasizes hands-on practice with real-world data. Students are provided with hands-on instruction (e.g., click-by-click instructions, screenshots, etc.) on datasets within the chapter; within the end-of-chapter materials; and in the labs at the end of each chapter. Throughout the text, students identify questions, extract and download data, perform testing, and then communicate the results of that testing.

The use of real-world data is highlighted by using data from **Avalara**, **LendingClub**, **College Scorecard**, **Dillard's**, the **State of Oklahoma**, as well as other data from our labs. In particular, we emphasize the rich data from **Dillard's** sales transactions that we use in more than 15 of the labs throughout the text (including Chapter 11).

Data Analytics for Accounting, 3e also emphasizes the various data analysis tools students will use throughout the rest of their career around two tracks—the Microsoft track (Excel, Power BI) and a Tableau track (Tableau Prep and Tableau Desktop—available with free student license). Using multiple tools allows students to learn which tool is best suited for the

necessary data analysis, data visualization, and communication of the insights gained—for example, which tool is easiest for internal controls testing, which is best for analysis or querying (using SQL) big datasets, which is best for data visualizations, and so on.

¹Jean Paul Isson and Jesse S. Harriott, *Win with Advanced Business Analytics: Creating Business Value from Your Data* (Hoboken, NJ: Wiley, 2013).

About the Authors



Vernon J. Richardson

Vernon J. Richardson is a Distinguished Professor of Accounting and the G. William Glezen Chair in the Sam M. Walton College of Business at the University of Arkansas and a Visiting Professor at Baruch College. He received his BS, Master of Accountancy, and MBA from Brigham Young University and a PhD in accounting from the University of Illinois at Urbana–Champaign. He has taught students at the University of Arkansas, Baruch College, University of Illinois, Brigham Young University, Aarhus University, and University of Kansas, and internationally at the China Europe International Business School (Shanghai), Xi’an Jiaotong Liverpool University, Chinese University of Hong Kong–Shenzhen, and the University of Technology Sydney.

Dr. Richardson is a member of the American Accounting Association. He has served as president of the American Accounting Association Information Systems section. He previously served as an editor of *The Accounting Review* and is currently an editor at *Accounting Horizons*. He has published articles in *The Accounting Review*, *Journal of Information Systems*, *Journal of Accounting and Economics*, *Contemporary Accounting Research*, *MIS Quarterly*, *International Journal of Accounting Information Systems*, *Journal of Management Information Systems*, *Journal of Operations Management*,

and *Journal of Marketing*. Dr. Richardson is also an author of McGraw Hill's *Accounting Information Systems* and *Introduction to Data Analytics for Accounting* textbooks.



Ryan A. Teeter

Ryan A. Teeter is a Clinical Associate Professor of Accounting in the Katz Graduate School of Business at the University of Pittsburgh. He teaches accounting information systems, auditing, and accounting data analytics. Prior to receiving his PhD in accounting information systems from Rutgers University, he worked at Google in Mountain View, California. He has since worked with internal audit organizations at Siemens, Procter & Gamble, Alcoa/Arconic, and FedEx, helping to develop robotic process automation programs and Data Analytic solutions.

Dr. Teeter is a member of the American Accounting Association and has published articles in the *Journal of Strategic Technologies in Accounting* and *Issues in Accounting Education*. He has received grant funding for Data Analytics research from PwC. Dr. Teeter is also an author of McGraw Hill's *Introduction to Data Analytics for Accounting* textbook.



Katie L. Terrell

Katie L. Terrell is an instructor in the Sam M. Walton College of Business at the University of Arkansas. She received her BA degrees in English literature and in the Spanish language from the University of Central Arkansas and her MBA from the University of Arkansas. She expects a doctoral degree by 2021. She has taught students at the University of Arkansas; Soochow University (Suzhou, China); the University College Dublin (Ireland); and Duoc UC, a branch of the Catholic University of Chile (Vina del Mar, Chile).

She is a member of the American Accounting Association and has published a *Statement on Management Accounting* for the Institute of Management Accountants on managing organizational change in operational change initiatives. Terrell was named the 2019 Business Professional of the Year (Education) by the national Beta Alpha Psi organization. She has recently been recognized for her innovative teaching by being the recipient of the Mark Chain/FSA Teaching Award for innovative graduate-level accounting teaching practices in 2016. She has worked with Tyson Foods, where she held various information system roles, focusing on business analysis, project management for ERP implementations and upgrades, and organizational change management. Terrell is also an author of McGraw Hill's *Introduction to Data Analytics for Accounting* textbook.

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The University of Southern Mississippi
Jamie Hoeischer
Southern Illinois University, Edwardsville
Chris C. Hsu
York College, City University of New York
Venkataraman Iyer
University of North Carolina at Greensboro
Andrea S. Kelton
Middle Tennessee State University
Bonnie Klamm
North Dakota State University
Gregory Kogan
Long Island University, Brooklyn
Hagit Levy
Baruch College, CUNY
Brandon Lock
Baruch College, CUNY
Sharon M. Lightner
National University
Kalana Malimage
University of Wisconsin–Whitewater
Partha Mohapatra
California State University, Sacramento
Bonnie Morris
Duquesne University
Uday Murthy
University of South Florida
Kathy Nesper
University at Buffalo
Kamala Raghavan
Texas Southern University
Marie Rice

West Virginia University
Ali Saeedi
University of Minnesota Crookston
Karen Schuele
John Carroll University
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Kent State University
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Vernon Richardson
Ryan Teeter
Katie Terrell

Key Features

- **NEW! Color Coded Multi-Track Labs:** Instructors have the flexibility to guide students through labs using the Green Track: Microsoft tools (including Excel, Power Query, and Power BI); Blue Track: Tableau tools (including Tableau Prep Builder and Tableau Desktop); or both. Each track is clearly identified and supported with additional resources.
- **NEW! Lab Example Outputs:** Each lab begins with an example of what students are expected to create. This provides a clear reference and guide for student deliverables.
- **NEW! Auto-Graded Problems:** The quantity and variety of auto-graded problems that are assignable in McGraw Hill Connect have been expanded.
- **NEW! Discussion and Analysis:** Now available as manually graded assignments in McGraw Hill Connect.
- **Emphasis on Skills:** Working through the IMPACT cycle framework, students will learn problem assessment, data preparation, data analysis, data visualization, control contesting, and more.
- **Emphasis on Hands-On Practice:** Students will be provided hands-on learning (click-by-click instructions with screenshots) on datasets within each chapter, within the end-of-chapter materials, and in the labs and comprehensive cases.
- **Emphasis on Datasets:** To illustrate data analysis techniques and skills,

multiple practice datasets (audit, financial, and managerial data) will be used in every chapter. Students gain real-world experience working with data from **Avalara**, **LendingClub**, **Dillard's**, **College Scorecard**, the **State of Oklahoma**, as well as financial statement data (via XBRL) from S&P100 companies.

- **Emphasis on Tools:** Students will learn how to conduct data analysis using Microsoft and Tableau tools. Students will compare and contrast the different tools to determine which are best suited for basic data analysis and data visualization, which are easiest for internal controls testing, which are best for SQL queries, and so on.

Main Text Features

Chapter Maps

These maps provide a guide of what we're going to cover in the chapter as well as a guide of what we've just learned and what's coming next.

Chapter-Opening Vignettes

Because companies are facing new and exciting opportunities with their use of Data Analytics to help with accounting and business decisions, we detail what they're doing and why in our chapter-opening vignettes.



OBJECTIVES

After reading this chapter, you should be able to:

- LO 2-1 Understand available internal and external data sources and how data are organized in an accounting information system.
- LO 2-2 Understand how data are stored in a relational database.
- LO 2-3 Explain and apply extraction, transformation, and loading (ETL) techniques to prepare data for use.
- LO 2-4 Describe best-practice considerations of data collection and data use.

Chapter 2

Mastering the Data

A Look at This Chapter

This chapter provides an overview of the types of data that are used in the accounting cycle and common data that are stored in a relational database. The second step of the IMPACT cycle is "mastering the data," which is sometimes called ETL for extracting, transforming, and loading the data. We will describe how data are requested and extracted to answer business questions and how to transform data for use via data preparation, validation, and cleaning. We conclude with an explanation of how to load data into the appropriate tool in preparation for analyzing data to make decisions.

A Look Back

Chapter 1 defined Data Analytics and explained that the value of Data Analytics is in the insights it provides. We described the Data Analytics Process using the IMPACT cycle model and explained how this process is used to address both business and accounting questions. We specifically emphasized the importance of identifying appropriate questions that Data Analytics might be able to address.

A Look Ahead

Chapter 3 describes how to go from defining business problems to analyzing data, answering questions, and addressing business problems. We identify four types of Data Analytics (descriptive, diagnostic, predictive, and prescriptive analytics) and describe various approaches and techniques that are most relevant to analyzing accounting data.

Learning Objectives

We feature learning objectives at the beginning of each chapter. Having these learning objectives provides students with an overview of the concepts to be taught in the chapter and the labs.

Progress Checks

Periodic progress check questions are posed to the students throughout each chapter. These checks provoke the student to stop and consider the concepts presented.

PROGRESS CHECK

- Referring to Exhibit 2-2, locate the relationship between the Supplier and Purchase Order tables. What is the unique identifier of each table? (The unique identifier attribute is called the primary key—more on how it's determined in the next learning objective.) Which table contains the attribute that creates the relationship? (This attribute is called the foreign key—more on how it's determined in the next learning objective.)
- Referring to Exhibit 2-2, review the attributes in the Purchase Order table. There are two foreign keys listed in this table that do not relate to any of the tables in the diagram. Which tables do you think they are? What type of data would be stored in those two tables?

End-of-Chapter Materials

Answers to Progress Checks

The answers allow students to evaluate if they are on track with their understanding of the materials presented in the chapter.



ANSWERS TO PROGRESS CHECKS

1. The unique identifier of the Supplier table is [Supplier ID], and the unique identifier of the Purchase Order table is [PO Number]. The Purchase Order table contains the foreign key attributes EmployeeID and CashDisbursementID. These attributes probably refer to the Employee table (so that we can tell which employee was responsible for the Purchase Order) and the Cash Disbursement table (so that we can tell if the Purchase Order has been paid for yet, and if so, on which check). The Employee table would contain a complete listing of each employee, as well as containing the details about each employee (for example, phone number, address, etc.). The Cash Disbursement table would contain a listing of the payments the company has made.

Multiple Choice Questions

The multiple choice questions quickly assess student's knowledge of chapter content.

Multiple Choice Questions connect

1. (LO 2-3) Mastering the data can also be described via the ETL process. The ETL process stands for:
 - a. extract, total, and load data.
 - b. enter, transform, and load data.
 - c. extract, transform, and load data.
 - d. enter, total, and load data.

Discussion and Analysis—Now in Connect!

This feature provides questions for group discussion and analysis. Now available as manually graded assignments in McGraw Hill Connect!

Discussion and Analysis connect

1. (LO 2-2) The advantages of a relational database include limiting the amount of redundant data that are stored in a database. Why is this an important advantage? What goes wrong when redundant data are stored?
2. (LO 2-2) The advantages of a relational database include integrating business processes. Why is it preferable to integrate business processes in one information system rather than store different business process data in separate, isolated databases?
3. (LO 2-2) Even though it is preferable to store data in a relational database, storing across separate tables can make data analysis cumbersome. Describe three reasons why it is worth the trouble to store data in a relational database.
4. (LO 2-2) Among the advantages of using a relational database is enforcing business rules. Based on your understanding of how the structure of a relational database helps prevent data redundancy and other advantages, how does the primary key/foreign key relationship structure help enforce a business rule that indicates that a company shouldn't process any purchase orders from suppliers who don't exist in the database?

Problems

The problems challenge the student's ability to see relationships in the learning objectives with analysis options that employ higher-level thinking and analytical skills. The quantity of auto-graded problems has been expanded. The manually graded analysis problems are also now assignable in McGraw Hill Connect.

Problems connect

1. (LO 2-2) Match the relational database function term:
 - Composition primary key
 - Descriptive attribute
 - Foreign key
 - Primary key
 - Relational database

NEW! Color Coded Multi-Track Labs

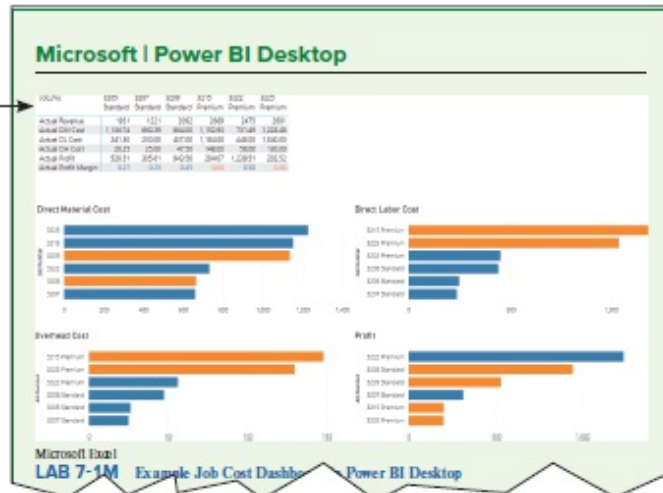
The labs give students hands-on experience working with different types of data and the tools used to analyze them. Students complete labs using the instructor-led track and answer common questions. Clear step-by-step directions help model the expected output of each lab exercise.

The Green Track—Microsoft/Power BI: Example Output

The Green Track—Microsoft / Power BI: Easy to Follow Step-by-Step Lab Instruction

Microsoft | Power BI Desktop

1. Open Power BI Desktop and connect to your data
 - a. Click Home > Get Data > Excel.
 - b. Browse to find the Lab 7-1 Slainte Job Costs.xlsx file and click Open.
 - c. Check all of the tables and click Load.
 - d. Click Modeling > Manage relationships to verify that the tables link correctly. For example, if you see an issue with the relationship between

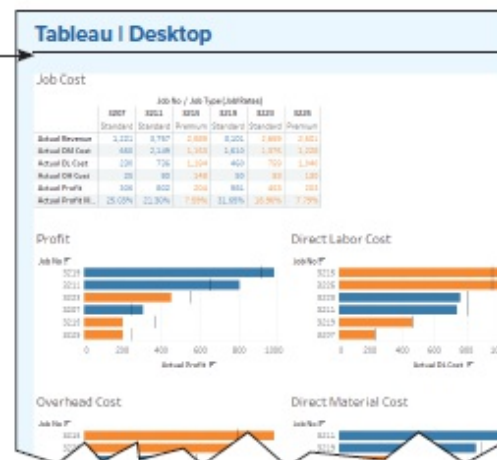


The Blue Track—Tableau: Example Output

The Blue Track—Tableau: Easy to Follow Step-by-Step Lab Instruction

Tableau | Desktop

1. Open Tableau Desktop and connect to your data:
 - a. Click Connect to Data > Microsoft Excel.
 - b. Browse to find the Lab 7-1 Slainte Job Costs.xlsx file and click Open.
 - c. Drag the Job_Orders table to the data model panel, then connect the Customers, Time_Record, Material_Requisition, and Job_Rates tables to right of it.
 - d. Finally, drag the Employees table to the right of the Time_Record table.



Comprehensive Case Labs

Use a real-life Big Data set based on **Dillard's** actual company data. This dataset allows students to build their skills and test their conclusions across concepts covered in each chapter. The Comprehensive Cases can be followed continuously from the first chapter or picked up at any later point in the book; enough information is provided to ensure students can get right to work.

Lab 2-8 Comprehensive Case: Preview a Sub Excel, Tableau Using a SQL Query—D

Lab Note: The tools presented in this lab periodically change. Update, can be found in the eBook and lab walkthrough videos in C

Case Summary: You are a brand-new analyst and you just g **Dillard's** account. So far you have analyzed the ER Diagram to the different tables and fields in the database, and you have exp to gain a glimpse of sample values from each field and how they gained a little insight into the distribution of sample values ad point you are ready to dig into the data a bit more. In the previo

Data Analytics for Accounting, 3e Content Updates

General Updates for the 3rd Edition

- Color coded multi-track labs now emphasize two tracks: The green Microsoft Track (including Excel, Power Query, and Power BI) and blue Tableau Track (including Tableau Prep Builder and Tableau Desktop).
- Added additional End-of-Chapter Multiple Choice Questions throughout the text that are auto-graded in Connect.
- Significantly revised many End-of-Chapter Problems for availability and auto-grading within Connect. Analysis Problems in Connect are manually graded.
- Linked chapter content to lab content using Lab Connections within the chapter content.

Chapter by Chapter Updates

Specific chapter changes for *Data Analytics for Accounting, 3e* are as follows:

Chapter 1

- Added new opening vignette regarding a recent IMA survey of finance and accounting professionals and their use of Big Data and Data

Analytics.

- Added discussion on how analytics are used in auditing, tax, and management accounting.
- Included introduction to the variety of analytics tools available and explanation of dual tracks for labs including Microsoft Track and Tableau Track.
- Added “Data Analytics at Work” box feature: What Does an Analyst Do at a Big Four Accounting Firm.
- Added six new Connect-ready problems.
- Implemented lab changes:
 - All-new tool connections in Lab 1-5.
 - Revised Labs 1-0 to 1-4.

Chapter 2

- Edited opening vignette to include current examples regarding data privacy and ethics.
- Added a discussion on ethical considerations related to data collection and use.
- Added exhibit with potential external data sources to address accounting questions.
- Expanded the data extraction section to first include data identification, including the use of unstructured data.
- Added “Data Analytics at Work” box feature: Jump Start Your Accounting Career with Data Analytics Knowledge.
- Added six new Connect-ready problems.
- Implemented lab changes:
 - Revised Labs 2-1 to 2-8.

Chapter 3

- Refined the discussion on diagnostic analytics.
- Improved the discussion on the differences between qualitative and quantitative data and the discussion of the normal distribution.
- Refined the discussion on the use of regression as an analytics tool.
- Added examples of time series analysis in the predictive analytics section.
- Added “Data Analytics at Work” box feature: Big Four Invest Billions in Tech, Reshaping Their Identities as Professional Services Firm with a Technology Core.
- Added six new Connect-ready problems.
- Implemented lab changes:
 - All-new cluster analysis in Lab 3-2.
 - Revised Labs 3-1, 3-3 to 3-6.

Chapter 4

- Added discussion of statistics versus visualizations using Anscombe’s quartet.
- Updated explanations of box plots and Z-scores.
- Added “Data Analytics at Work” box feature: Data Visualization: Why a Picture Can Be Worth a Thousand Clicks.
- Added six new Connect-ready problems.
- Implemented lab changes:
 - All-new dashboard in Lab 4-3.
 - Revised Labs 4-1, 4-2, 4-4, 4-5.

Chapter 5

- Improved and clarified content to match the focus on descriptive, diagnostic, predictive, and prescriptive analytics.
- Added “Data Analytics at Work” box feature: Citi’s \$900 Million Internal Control Mistake: Would Continuous Monitoring Help?
- Added six new Connect-ready problems.
- Implemented lab changes:
 - Revised Labs 5-1 to 5-5.

Chapter 6

- Clarified chapter content to match the focus on descriptive, diagnostic, predictive, and prescriptive analytics.
- Added “Data Analytics at Work” box features: Do Auditors Need to Be Programmers?
- Added six new Connect-ready problems.
- Implemented lab changes:
 - Major revisions to Labs 6-1 to 6-5.

Chapter 7

- Added new exhibit and discussion that maps managerial accounting questions to data approaches.
- Added “Data Analytics at Work” box feature: Maximizing Profits Using Data Analytics
- Added five new Connect-ready problems.
- Implemented lab changes:
 - All-new job cost, balanced scorecard, and time series dashboards in Lab 7-1, 7-2, 7-3.

- Revised Lab 7-4, 7-5.

Chapter 8

- Added new exhibit and discussion that maps financial statement analysis questions to data approaches.
- Added four new Connect-ready problems.
- Implemented lab changes:
 - All-new sentiment analysis in Lab 8-4.
 - Revised Labs 8-1 to 8-3.

Chapter 9

- Added new exhibit and discussion that maps tax questions to data approaches.
- Added four new Connect-ready problems.
- Implemented lab changes:
 - Revised Labs 9-1 to 9-5.

Chapter 10

- Updated project chapter that evaluates different business processes, including the order-to-cash and procure-to-pay cycles, from different user perspectives with a choice to use the Microsoft track, the Tableau track, or both.
- Added extensive, all-new set of objective and analysis questions to assess analysis and learning.

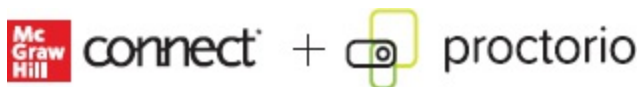
Chapter 11

- Updated project chapter, estimating sales returns at **Dillard's** with three question sets highlighting descriptive and exploratory analysis, hypothesis testing, and predictive analytics with a choice to use the Microsoft track, the Tableau track, or both.
- Added extensive, all-new set of objective and analysis questions to assess analysis and learning.

Connect for *Data Analytics for Accounting*



With **McGraw Hill Connect** for *Data Analytics for Accounting*, your students receive proven study tools and hands-on assignment materials, as well as an adaptive eBook. Here are some of the features and assets available with Connect.



Proctorio: New remote proctoring and browser-locking capabilities, hosted by Proctorio within Connect, provide control of the assessment environment by enabling security options and verifying the identity of the student. Seamlessly integrated within Connect, these services allow instructors to control students' assessment experience by restricting browser activity, recording students' activity, and verifying students are doing their own work. Instant and detailed reporting gives instructors an at-a-glance view of potential academic integrity concerns, thereby avoiding personal bias and supporting evidence-based claims.

SmartBook 2.0: A personalized and adaptive learning tool used to maximize the learning experience by helping students study more efficiently and effectively. Smartbook 2.0 highlights where in the chapter to focus, asks review questions on the materials covered, and tracks the most challenging content for later review recharge. Smartbook 2.0 is available both online and

offline.

The screenshot shows a quiz interface for 'Data Analytics for Accounting'. At the top, there is a blue header with the course name and an 'Exit Assignment' button. Below the header, a progress bar indicates 'Progress 3%' and shows a score of 1 out of 5 questions, with a total score of 23. The main content area is titled 'Multiple Choice Question' and asks: 'Which of the following is true regarding the Data Reduction approach?'. There are three radio button options: 'It works best when there is not any particular attribute you would like to focus on.', 'It is most useful when performed on a small dataset.', and 'It primarily uses structured data that is readily searchable.'. Below the question, there is a 'Confidence Level' section with the instruction 'Rate your confidence to submit your answer.' and three buttons labeled 'High', 'Medium', and 'Low'.

Orientation Videos: Video-based tutorial assignments are designed to train students via an overview video followed by a quiz for each of the assignment types they will find in McGraw Hill Connect.

Multiple Choice Questions: The multiple choice questions from the end-of-chapter materials are assignable and auto-gradable in McGraw Hill Connect, with the option to provide students with instant feedback on their answers and performance.

Discussion and Analysis Questions: We have added the Discussion and Analysis questions into McGraw Hill Connect as manually graded assignments for convenience of assignment organization. These can be utilized for small group or in-class discussion.

Problems: Select problems from the text are auto-graded in McGraw Hill Connect. Manually graded analysis problems are also now available to ensure students are building an analytical skill set.

2 Check my work

10 points

Print

References

Required information
 [The following information applies to the questions displayed below.]

The Problems 2-1 to 2-7 correspond to the College Scorecard data. You should be able to answer each question by just looking at the data dictionary ([CollegeScorecard_DataDictionary.pdf](#)), but if you would like to use the raw data, feel free to do so ([CollegeScorecard_RawData.txt](#)).

In order to compare completion rate across types of institutions (public, private non-profit, private for-profit), please choose among these attributes in the data dictionary, and indicate which would be predictive, and which would not be.

Predictive Attributes	Predictive?
CONTROL - 1 = Public, 2 = Private nonprofit, 3 = Private for-profit	Yes
ADM_RATE - admission rate	No
STABBR - State postcode	
C150_4 - Completion rate for first-time, full-time students at four-year institutions (4 year)	
PFTFAC - Proportion of faculty that is full-time	Yes
PCTPELL - Percentage of undergraduates who receive a Pell Grant	No
RET_FT4 - First-time, full-time student retention rate at four-year institutions	
UNITID - a unique identifier for the institution	

Color Coded Multi-Track Labs: Labs are assignable in McGraw Hill Connect as the green Microsoft Track (including Excel, Power Query, and Power BI) and blue Tableau Track (including Tableau Prep Builder and Tableau Desktop).

Lab Assignment 1 Quit Help Save & Exit Submit

10 points

Print

References

1

When working with a data analysis project that is exploratory in nature, the analysis can be done in Tableau. You will likely enter the data analysis project with an overarching question in mind, but as you answer that question, your exploratory analysis will lead to ongoing questions. The data visualization will help explore the data, as well as ultimately be used as a means to communicate results.

Company Summary

Silante is a fictional brewery that has recently gone through big change. Silante sells six different products. The brewery has only recently expanded its business to distributing from one state to distributing to nine states, and now the business has begun stabilizing after the expansion. With that stability, comes a need for better analysis. One of Silante's first priorities is to identify its areas of success, as well as areas of potential improvement.

Date

- Silante dataset

Software needed

- Tableau. Visit with your instructor for instructions or follow this link to download Tableau, <https://www.tableau.com/academics/students>, and click Get Tableau for Free to register for a free student license. Your student license will last one year.
- Screen capture tool (Windows: Snipping Tool; Mac: Cmd+Shift+4)

In this lab, you will:

Part 1: Identify appropriate questions.
 Part 2: Complete the ETL process to load the data in Tableau for analysis.
 Part 3: Analyze the data you receive with data visualization.
 Part 4: Communicate the data you receive with a digital dashboard.

Refer to Chapter 4 for instructions and steps for each of the lab parts.

1 of 3 Next >

Lab Assignment 1 Quit Help Save & Exit Submit

10 points

Print

References

1

Required information

2-a. Which Product_Code sold the most?

2001
 2002
 2003
 2004
 2005
 2006

2-b. How much did Product_Codes 2002 and 2004 sell, respectively?

Product_Code 2002 sales	
Product_Code 2004 sales	

2-c. Which product(s) sold the most in 2019 and 2020?

Product that sold the most in 2019	
Product that sold the most in 2020	

1 of 3 Next >

Students complete their lab work outside of Connect in the lab track selected by their professor. Students answer assigned lab questions designed to ensure they understood the key skills and outcomes from their lab work. Both auto-graded lab objective questions and manually graded lab analysis questions are assignable in Connect.

Comprehensive Cases: Comprehensive case labs are assignable in McGraw Hill Connect. Students work outside of Connect to complete the lab using the **Dillard's** real-world Big Data set. Once students complete the comprehensive lab, they will go back into Connect to answer questions designed to ensure they completed the lab and understood the key skills and outcomes from their lab work.

Lab 3-4 Comprehensive Case: Descriptive Analytics: Generate Summary Statistics—Dillard's

Lab Note: The tools presented in this lab periodically change. Updated instructions, if applicable, can be found in the eBook and lab-walkthrough videos in Connect.

Case Summary: You are a brand new analyst and you just got assigned to work on the **Dillard's** account. So far you have analyzed the ER Diagram to gain a bird's eye view of all of the different tables and fields in the database, and you have explored the data in each table to gain a glimpse at sample values from each field and how they are all formatted. You also gained a little insight into the distribution of sample values across each field, but at this point you are ready to dig into the data a bit more.

Data: **Dillard's** sales data is only available on the University of Arkansas Remote Desktop (uarktools.net:rc). See your instructor for login credentials.

Lab Walkthrough Videos: These author-led lab videos in McGraw Hill Connect explain how to access and use the tools needed to complete the processes essential to the labs. Lab videos improve student success and minimize student questions!

Lab Assignment 1

When working with a data analysis project that is exploratory in nature, the analysis can be done in Tableau. You will begin your data analysis project with an overarching question in mind, but as you answer that question, your exploratory analysis will lead to ongoing questions. The data visualization will help explore the data, as well as ultimately be used as a means to communicate results.

Company Summary

Glatte is a fictional brewery that has recently gone through big change. Glatte sells six different products. The brewery has only recently expanded its business to distributing from one state to five (adding to nine states), and now the business has begun stabilizing after the expansion. With that expansion comes a need for better analysis. One of Glatte's first priorities is to identify its areas of success, as well as areas of potential improvement.

Data

- Sibire dataset

Software needed

- Tableau. Visit with your instructor for instructions or follow this link to download Tableau: <https://www.tableau.com/academic>, and click Get Tableau for Free to register for a free student license. Your student license will last one year.
- Screen capture tool (Windows: Snipping Tool, Mac: Cmd+Shift+4)

In this lab, you will:

- Part 1: Identify appropriate questions.
- Part 2: Complete the ETL process to load the data in Tableau for analysis.
- Part 3: Analyze the data you receive with data visualization.
- Part 4: Communicate the data you receive with a digital dashboard.

Refer to Chapter 4 for instructions and steps for each of the lab parts.

Required

Are there Product Line sales records?

- 2019
- 2020
- 2021
- 2022
- 2023

Do I have records for Product Line Sales 2022 and 2023?

Product Line	Sales
Product Line 001	
Product Line 002	

Do I have records for Product Line Profit 2022 and 2023?

Product Line	Profit
Product Line 001	
Product Line 002	

Author Lecture Videos: Lecture Videos assignable in McGraw Hill Connect teach each chapter's core learning objectives and concepts through an author-developed, hands-on presentation, bringing the text content to life. The videos have the touch and feel of a live lecture, rather than a canned presentation, so you can learn at your own pace.

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Test Bank: The test bank includes auto-graded multiple choice and true/false assessment questions. The test bank can be assigned directly within McGraw Hill Connect or exported from Test Builder.

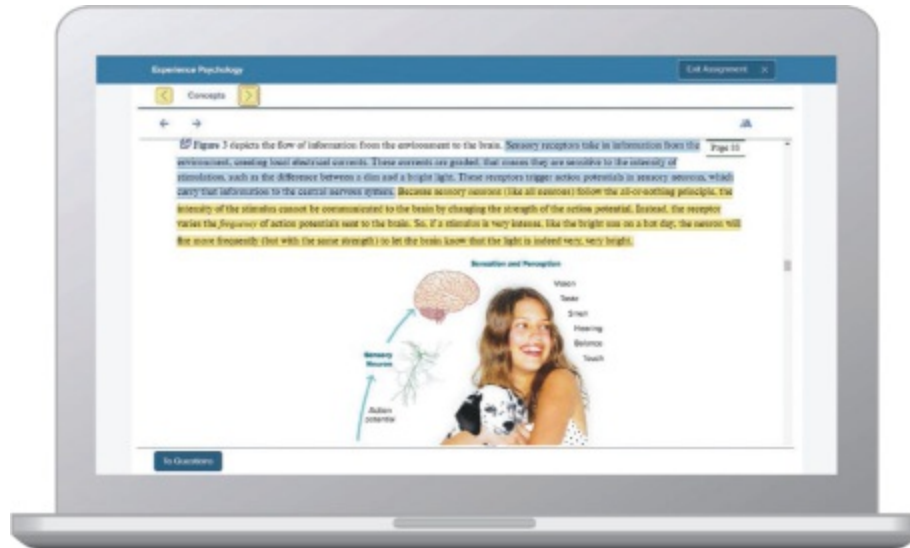


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Data Analytics for Accounting

Chapter 1

Data Analytics for Accounting and Identifying the Questions

A Look at This Chapter

Data Analytics is changing both business and accounting. In this chapter, we define Data Analytics and explain its impact on business and the accounting profession, noting that the value of Data Analytics is derived from the insights it provides. We also describe the need for an analytics mindset in the accounting profession. We next describe the Data Analytics Process using the IMPACT cycle and explain how this process is used to address both business and accounting questions. We then emphasize the skills accountants need as well as the tools available for their use. In this chapter, we specifically emphasize the importance of identifying appropriate accounting questions that Data Analytics might be able to address.

A Look Ahead

Chapter 2 provides a description of how data are prepared and scrubbed to be ready for analysis to address accounting questions. We explain how to extract, transform, and load data and then how to validate and normalize the data. In addition, we explain how data standards are used to facilitate the exchange of data between data sender and receiver. We finalize the chapter by emphasizing the need for ethical data collection and data use to maintain data privacy.

As the access to accounting data proliferates and tools and accountant skills advance, accountants are relying more on Big Data to address accounting questions. Whether those questions relate to audit, tax or other accounting areas, increasingly value will be created by performing Data Analytics. In this chapter, we introduce you to the need for Data Analytics in accounting, and how accounting professionals are increasingly asked to develop an analytics mindset for any and all accounting roles.



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Technology such as Data Analytics, artificial intelligence, machine learning, blockchain, and robotic process automation will be playing a greater role in the accounting profession this year, according to a recent report from the Institute of Management Accountants.

The report indicates that finance and accounting professionals are increasingly implementing Big Data in their business processes, and the pattern is likely to continue in the future. The IMA surveyed its members for the report and received 170 responses from CFOs and other management

accountants. Many of the CFOs are predicting big changes for 2020 in their businesses.

Sources: M. Cohn, "Accountants to Rely More on Big Data in 2020," *Accounting Today*, January 4, 2020, <https://www.accountingtoday.com/news/accountants-to-rely-more-on-big-data-in-2020> (accessed December 2020).

OBJECTIVES

After reading this chapter, you should be able to:

- LO 1-1** Define Data Analytics.
- LO 1-2** Understand why Data Analytics matters to business.
- LO 1-3** Explain why Data Analytics matters to accountants.
- LO 1-4** Describe the Data Analytics Process using the IMPACT cycle.
- LO 1-5** Describe the skills needed by accountants.
- LO 1-6** Explain how the IMPACT model may be used to address a specific business question.

DATA ANALYTICS

LO 1-1

Define Data Analytics.

Data surround us! By the year 2024, it is expected that the volume of data created, captured, copied, and consumed worldwide will be 149 zettabytes