

KAPLAN

Kaplan EPUB3 Pilot Proposal

In partnership with BISG and IDPF

MBA Fundamentals: Accounting and Finance

Introductions

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Executive Summary

- **Scope of project**

Produce two mini eBook editions (2-3 chapters each) from our *MBA Fundamentals: Accounting and Finance* title, one following current EPUB2 specification, second with supported technologies from EPUB3 specification

- **Title Information**

MBA Fundamental: Accounting and Finance is currently one of Kaplan's bestselling digital titles with an enthusiastic author

- **Audience**

General audience interested in budgeting, current business school students, graduates of business school

- **Timeframe and cost**

Preliminary work has begun and will continue with entire pilot completed at the end for Q1 2012. Cost of R&D and testing: \$13,750

Objectives

- Test market sensitivity to price point of enhanced EPUB3 features
- Evaluate new EPUB3 technologies from a customer viewpoint
- Prioritize investment in emerging and future EPUB3 technologies

Test Case Features

○ **Interactive Tables and Forms**

- Sortable cell data
- Ability to selectively hide and reveal relevant data
- Dynamic forms to process user-provided data

○ **MathML support**

- Scale highly formatted equations upon text resizing
- Improve authoring workflow by eliminating conversion to graphics
- Enable users to select content

○ **Improved CSS Support**

- Employ rich typography styling to better align the print and digital reading experience
- Progressive enhancements to exploit advanced features in capable reading systems
- Create adaptive layouts to improve reading experience across multiple devices

Screenshot: Interactive Tables

iPad 5:35 PM 70%

Library MBA FUNDAMENTALS Accounting

Stylized headers with controls for sorting data

straight-line method is \$610 ($\$3,050 / 5$).

Year	Annual Depreciation	Accumulated Depreciation	Book Value at End of Year
1	\$610	\$610	\$2,640
2	\$610	\$1,220	\$2,030
3	\$610	\$1,830	\$1,420
4	\$610	\$2,440	\$810
5	\$610	\$3,050	\$200

Zebra striped rows and other rich formatting, to improve legibility

3. The rate for straight-line is 20 percent ($1 / 5$); therefore the double-declining-balance rate is 40 percent.

Years	Annual Depreciation	Accumulated Depreciation	Book Value at End of Year
1	$\$3,250 \times .4 = \$1,300$	\$1,300	\$1,950
2	$\$1,950 \times .4 = \780	\$2,080	\$1,170
3	$\$1,170 \times .4 = \468	\$2,548	\$702
4	$\$702 \times .4 = \280.80		\$421.20
5	$\$421.20 - 200 = \221.20		\$200

Use MathML to create scalable equations

4. The depreciation rate is .20 per year ($\$40,000 - 8,000 = \$32,000 / 160,000 = .2$).

Years	Annual Depreciation	Accumulated Depreciation	Book Value at End of Year
1	$15,000 \times .2 = \$3,000$	\$3,000	\$37,000
2	$22,000 \times .2 = \$4,400$	\$7,400	\$32,600
3	$20,000 \times .2 = \$4,000$	\$11,400	\$28,600
4	$18,000 \times .2 =$	\$15,000	\$23,600

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Screenshot: Improved CSS Support

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Library MBA FUNDAMENTALS Accounting and Finance

CHAPTER 11

- Gross profit margin: 25%
Net profit margin: 7%
Return on assets: 14%
Return on equity: 20%
- A/R turnover: 7.63
ACP: 47.82
Inventory turnover: 43.33
Total asset turnover: 2.08
- Current ratio: 2.3 times
Quick ratio: 1.8 times
- Debt-to-total assets: 46.9%
Times interest earned: 9
Fixed charge coverage: 6
- | Ratios | Industry Average | Company Ratio | Comment: "Good" or "needs improvement" |
|---------------------------|------------------|---------------|--|
| Gross profit margin | 21.58% | 30% | Good |
| Net profit margin | 9.6% | 5% | Needs improvement |
| Average collection period | 37 | 32 | Good |
| Inventory turnover | 23.5 | 12 | Needs improvement |
| Times interest earned | 6 | 10 | Good |
| Current ratio | 1.38 | 2 | Good |

CHAPTER 12

Income Statement

..... Vari- Favorable or Unfa-

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Annotations:

- employ CSS to improve legibility and overall aesthetics** (points to the list of ratios)
- highlight good** (points to the 'Good' cell in the table)
- highlight needs improvement** (points to the 'Needs improvement' cell in the table)
- Allow user to focus on the content they are trying to understand** (points to the table)

Screenshot: Editable Forms

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Library MBA FUNDAMENTALS Accounting and Finance

be judged, and it also takes into account the behavioral aspects of budgeting.

The design and maintenance of a responsibility accounting system should allow for behavioral factors. Managers should have input into the goals and standards of their areas of responsibility. If a manager works to set her goals, motivation is maximized. If a manager believes a target is unrealistic or that the plans were developed without her participation, motivation is minimized.

There should always be an opportunity for management to respond to the variance analysis of performance reports. Only controllable expenses and revenues should be the focus. Holding someone accountable for events outside his control will destroy the integrity of the responsibility accounting system and could lead to demoralized managers.

Reports from a responsibility accounting system are the essence of management by exception. Management by exception calls for managers to focus on the problems. It is especially effective and efficient to report only those items with significant variances from budget, for this heightens awareness of areas that need immediate attention.

TEST YOURSELF

1. Complete the analysis below. Calculate the variance for each line item and note whether it is favorable (F) or unfavorable (U).

Problem 1
Income Statement

	Actual	Budget	Variance	Favorable or Unfavorable
Sales in units	22,000	23,500		
Sales	\$484,000	\$505,250		
Cost of goods sold	264,000	282,000		
Gross profit	\$220,000	\$223,250		

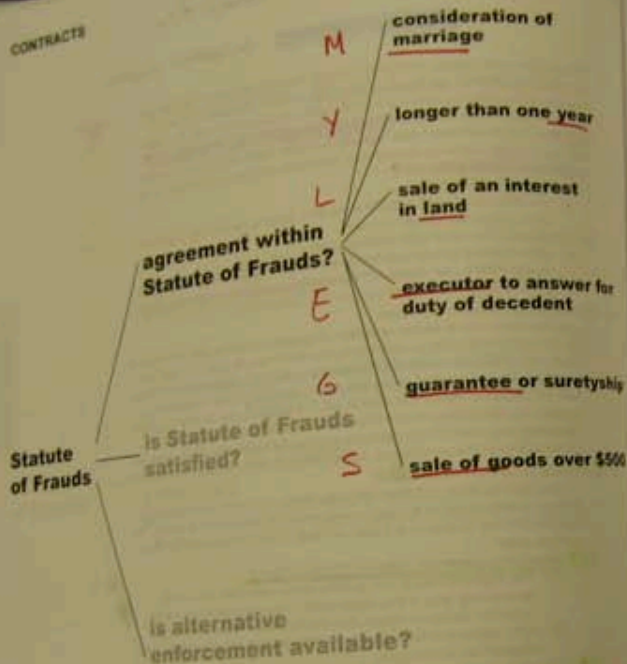
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User editable forms

Product Evaluation: Testing Methodology

- Prelaunch ethnographic research (8 participants)
 - Primary goal is usability testing
 - Based on observation of user
 - Builds on currently existing research on eBook and Textbook usage
- Parametric data compilation (All users of product)
 - Internal and external data collected
 - Usage data collection built in at development
 - External data points compiled and used for product evaluation (See next slide for details)
- Survey research (goal: 200 respondents)
 - Online survey with linkback in product
 - Opt-in by users
 - User evaluation (alpha users, disliked, etc.)
- Focus group (15 participants)
 - Specific user types from survey participants
 - Qualitative data

Deliverable: white paper on best practices for design and development for feature sets



D. Analyzing Problems Under the Statute of Frauds

- Specific Coverage Under the Common-Law Statute of Frauds
 - In most states, six categories of agreements are governed by the Statute of Frauds.

Statute of Frauds
MYLEGS

MYLEGS

Marriage, Year, Land, Executor, Guarantee, Sale of goods

- a contract upon consideration of marriage
- a contract that will not be completed within one year of the formation of the contract
- a contract for the sale of an interest in land
- a contract of an executor or administrator to answer for a duty of the decedent
- a contract of guarantee or suretyship, and
- a contract for the sale of goods at a price of \$500 or more. This category is governed specifically by §2-201 of the UCC.

b. Individual states have added additional categories to the six conventional ones. In a number of states, real estate brokerage agreements have been added, and in Texas, a category for non-marital cohabitation agreements has also been added.

c. In the typical case, there is little difficulty in determining whether a particular contract falls under the Statute of Frauds. However, some categories have specific limitations within them that narrow the reach of the Statute of Frauds.

- (1) Most states have abolished the cause of action for breach of a promise to marry, however, it still exists in some places. In jurisdictions that recognize this claim, the coverage of the Statute of Frauds has been narrowed.
 - (a) A promise to marry that has been given in exchange for dowry or other settlement is governed by the statute, and there must be a signed writing in order to secure enforcement of either party's obligations.
 - (b) An exchange of promises is not governed by the Statute of Frauds and does not need signed writing to secure enforcement.
- (2) The year at issue under the one-year provision is measured from the date of making the contract rather than the date of the beginning of performance. A contract that contemplates a duration of less than a year may nonetheless fall under the Statute of Frauds if performance isn't to be completed until a year or more after the contract formation.

EXAMPLE: In June of her first year of law school, Law Student enters an oral agreement with Law Firm to work for the firm during June, July and August of her second summer. Although the duration of the contemplated performance is only three months, the performance will not be complete until 14 months after the making of the agreement. Accordingly, the contract is governed by the one-year provision and a signed writing is required in order to secure enforcement.

- (a) The question of whether a particular contract is to be performed within one year of the making thereof is answered by determining whether it is at all possible to complete the required performance within a year's time.

EXAMPLE: It is highly unlikely that the construction of an oil-producing facility in a war-ravaged country would be completed within a year. But because the performance is possible within that time—

Marriage

Year

Land

Executor

Guarantee

Sale of Goods

Contracts

Misleading of use
 Misleading of use
 Misleading of use

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Product Evaluation: External Data Points

Quantitative

- Download figures by account
- Product reviews (stars) by account
- Survey results
- Social media engagement
- Market share by device/retailer
- Device ownership and usage trends

Qualitative

- Representative comments from social media
- Representative comments from product reviews
- Representative comments from email
- Customer service inquiries
- Content satisfaction
- Feedback on design and presentation

Preliminary Timeline and Milestones

- Product Development (06/01/11 – 8/31/11)
 - Content development
 - Develop digital editions
 - Internal user testing
 - Set up user data collection
- Preliminary Research and Product Iteration (8/16/11 – 10/15/11)
 - Revise digital editions
 - Finalize digital editions
- Public Distribution and Data Collection (10/16/11 – 11/30/11)
 - Public distribution
 - Customer survey
- Data Analysis and Reporting (12/01/11 – End of Q1 2012)
 - Survey analysis
 - Panel interviews
 - White paper released

Deliverables

- Whitepaper outlining research and findings
- Documentation of best practices for handling math and interactive objects
- Documentation outlining business impacts for similar development