**Accounting 632 - Case Assignment 1: (45 points)**

You have decided to make a movie. You haven’t decided yet on what kind of a movie, who will write it – will it be based on an existing book, perhaps a bestseller or will you develop it internally. Maybe one of you already has a brilliant idea. Additionally, you need to select the star(s), the director, and producer.

Before the next class meeting your group needs to do the following

1. Make decisions regarding your movie, based on the issues raised below. You may wish to use the Wiki assigned to your group on Moodle for your discussion.
2. Once you have decided these important issues, calculate your expected total production costs based on the information provided on the following pages and the instructions below.
3. Prepare a 10 to 15 minute video in which you “pitch” your movie (see tips on next page). Upload the video to You-tube no later than Wednesday, July 16th – use the instructions you received in your previous course(s) on how to prepare and upload the video
4. Prepare a brief (one page) memo “pitching” your movie and your expected production costs. Attach an appendix with detailed calculations of your estimated total production costs. Use the **“Film Worksheet” Excel file for your appendix**
5. Attach the grading rubric (see page 7) to the front of your memo. Make sure you include your group name as well as the names of all group members
6. Email your memo, appendix and grading rubric to heather.briggs@dreamworks.com and Heidemarie.lundblad@csun.edu no later than Wednesday, July 16th.
7. Bring a hard copy of memo, appendix and grading rubric to class on July 17th
8. As a group, determine the following for your movie:
	1. Genre
	2. Premise, story line
9. How you will acquire the rights or develop the story
	1. Rights acquired from 3rd party
	2. Developed internally
10. Who will write the screenplay?
11. Who will be your key talent?
	1. Stars
	2. Director
	3. Producer
12. Information regarding the various options and relevant costs associated with items 1 through 4 are provided on the following pages. The options and costs are examples only. If you want to use talent other than those listed, please feel free to do so. Please email Heather Briggs (heather.briggs@dreamworks.com) and she will provide you with the relevant cost considerations for your talent.
13. Using the following assumptions, calculate the total production costs for your movie:
	1. Total Above-the-line costs. (Assume that expenses for ATL will be 25% of ATL compensation)
	2. Assuming all goes as planned, below-the-line costs will be 200% of above-the-line costs if your film is a character-driven film.
	3. Assuming all goes as planned, below-the-line costs will be 300% of above-the-line costs if your film is a special effects or high-action film.
	4. Capitalized overhead will be 9% of total production costs.
	5. Capitalized interest will be 6% of total production costs.

**TIPS ON DEVELOPING YOUR PITCH**
While there is no one way to write a pitch; in general a compelling pitch will likely include the following elements:

**Logline** - A logline (a brief summary of a film, often providing both a synopsis of the film’s plot, and an emotional "hook" to stimulate interest) at the beginning of your presentation can help to frame the expectations of the viewer by clearly establishing your premise.

**Theme** - It can be helpful if you articulate the theme of your story. What universal fear or truth does your movie explore?

**Plot Outline** - The main element of your pitch will be your description of the story you have in mind. Please don't fall into the trap of "all plot, no story." In other words, there's a distinction to be made between the events that happen (plot) and the way those events affect your characters and cause them to change/grow (story). Ideally, your outline will have just enough plot to service your story.

**Character Descriptions** - You may want to think about pitching your characters separately from the plot. If you choose to include character descriptions, you might want to describe not only who your characters are but also what their "character arc" will be in the story. You may also want to indicate what the central relationships are and how they are significant to the story. If you feel it provides direction for the story, you can provide this information at the beginning of your pitch (e.g. identifying Quentin Tarantino or Tim Burton as your director can also give the viewer a more concise and solid understanding of the tone of the film).

**Concise** - Getting an idea across with a few well-chosen words will always be more compelling than conveying the same information at length. If the reader is left wanting more, so much the better!

**Visuals** – You may use visuals (e.g. character designs, inspirational images, a "mock poster" for your movie, etc.) that they clearly support and relate to your pitch.

CASE STUDY—Part 1 Production Costs

PRODUCER

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TALENT | PREVIOUS CREDITS (partial) | AWARDS | UP FRONT PRICE\* | PARTICIPATION\* |
| Steven Spielberg | War Horse, The Adventures of Tintin, Transformers, Letters from Iwo Jima, Catch me if You Can , Schindler’s List | 1 Oscar Best Film, Schindler’s ListNominated for 5 Oscars for Best Film | 20,000,000 | 5% AGR |
| Johnny Depp | Rum Diary, Hugo | None | 10,000,000 | 3% AGR  |
| JK Rowling | Harry Potter and the Deathly Hollows (parts 1&2) | None | 10,000,000 | 5% AGR in excess of BE |
| Clint Eastwood | J. Edgar, Gran Torino, Letters from Iwo Jima, Million dollar Baby, others | 2 Oscars (Million Dollar Baby, Mystic River) | 15,000,000 | 5% AGR |
| Ron Howard | J. Edgar, Cowboys & Aliens, Angels & Demons, Frost/Nixon, Da Vinci Code, Cinderella Man | 1 Oscar (Beautiful Mind), Nominated for Frost/Nixon | 15,000,000 | 5% AGR in excess of BE |

\*These amounts are purely fictional and are provided for training purposes only.

CASE STUDY—Part 1 Production Costs

DIRECTOR

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TALENT | PREVIOUS CREDITS | AWARDS | UP FRONT PRICE\* | PARTICIPATION\* |
| George Clooney | Ides of March, Leatherheads, Good Night & Good Luck | Oscar for Best Director, Good Night & Good Luck | 10,000,000 | 5% AGR |
| Rob Marshall | Pirates of Caribbean: On Stranger Tides, Chicago | Nominated for Best Director: Chicago | 4,000,000 | 3% AGR in excess of BE |
| Bill Condon | The Twilight Saga: Breaking Dawn, Dreamgirls | 1 Oscar for writing | 5,000,000 | 3% AGR |
| Dennis Dugan | Jack and Jill, Just Go with It, Don’t Mess with the Zohan, National Security, Big Daddy | Nominated for 2 “Razzie” Awards for Worst Directing | 3,000,000 | 1% AGR in excess of BE |
| Tate Tayler | The Help | No majors | 2,000,000 | 10% Net  |

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CASE STUDY—Part 1 Production Costs

STARS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TALENT | PREVIOUS CREDITS | AWARDS | UP FRONT PRICE\* | PARTICIPATION\* |
| George Clooney | Ides of March, The Descendents, Up in the Air, Men who Stare at Goats, Michael Clayton | 1 Oscar for Syriana; 2 nominations for best actor | 18,000,000 | 5% AGR |
| Johnny Depp | Pirates of the Caribbean, Edward Scissorhands, Sweeney Todd, Alice in Wonderland, Corpse Bride | 3 Oscar nominations | 20,000,000 | 5% AGR |
| Leonardo diCaprio | J. Edgar, Shutter Island, Blood Diamond, Aviator, Catch Me if You Can, Titanic,  | 3 Oscar nominations | 14,000,000 | 10% AGR in excess of BE |
| Kristen Stewart | Twilight Saga, New Moon, Eclipse | Won Teen Choice Award, Kids Choice Awards, MTV Movie Award | 3,000,000 | 5% Net  |
| Scarlett Johansson | Lost in Translation, The Prestige, Vicky Cristina Barcelona, Iron Man 2 | 4 Golden Globe nominations | 8,000,000 | 5% AGR in excess of BE |
| Adam Sandler | Happy Gilmore, Waterboy, Grown Ups, Big Daddy | 1 Golden Globe Nomination | 14,000,000 | 10% AGR in excess of BE |
| Jennifer Lawrence | Winter’s Bone, X-Men: First Class, Like Crazy | 1 Oscar nomination | 2,000,000 | 5% Net  |
| Emma Stone | Easy A, The Help, Zombieland | 1 Golden Globe nomination | 2,000,000 | 5% Net  |
| Ryan Gosling | Drive; Crazy, Stupid Love; Blue Valentine; Ides of March | 1 Oscar nomination | 5,000,000 | 1% AGR |
| Meryl Streep | Julie & Julia, Doubt, Devil Wears Prada, Adaptation, Mamma Mia | 16 Oscar nominations, 2 wins; 25 Golden Globe nominations, 7 wins | 22,000,000 | 5% AGR |

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CASE STUDY—Part 1 Production Costs

RIGHTS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | UP FRONT PRICE\* | PARTICIPATION\* |
| Book Rights to recent best seller from well known author |  |  | 5,000,000 | 2% AGR in excess of BE |
| Book Rights to recent best seller from unknown author |  |  | 1,000,000 | 5% Net |
| Rights to Broadway play from well known playwright |  |  | 5,000,000 | 3% AGR in excess of BE |
| Rights to life story from well-known athlete |  |  | 10,000,000 | 5% AGR |
| Internally developed by studio employee |  |  | - 0 - |  0 % |

WRITERS

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TALENT | PREVIOUS CREDITS | AWARDS | UP FRONT PRICE\* | PARTICIPATION\* |
| JK Rowling | Harry Potter series | None | 15,000,000 | 5% AGR  |
| Kathryn Stockett | The Help | None | 4,000,000 | 5% AGR in excess of BE |
| Bill Condon | Tilda, Kinsey, Dreamgirls | 1 Oscar for Gods and Monsters, 1 nomination | 5,000,000 | 3% AGR in excess of BE |
| Adam Sandler | Jack and Jill, Grown Ups, Eight Crazy Nights, Big Daddy | None | 5,000,000 | 10% AGR in excess of BE |
| Ted Elliott | Pirates of the Caribbean (1,2, 3 and 4) | Nominated for Oscar | 6,000,000 | 3% Net |

**Grading Rubric – Assignment 1 – Film Development**

|  |  |  |  |
| --- | --- | --- | --- |
| **Grading Area** | **Professional** | **Satisfactory** | **Requires Improvement** |
| **Technical Content:**Memo accomplishes purpose of assignment1. Answers questions or presents required information
2. Supplies relevant supporting detail
3. states clear conclusion(s)
 | 6 | 3 | 2 |
| **Construction:** Memo is organized well and states ideas clearly**Coherent organization:** (a) stated thesis (topic sentence) (b) logical progression of ideas (c) one main idea per paragraph (d) smooth transitions **Clarity:** use of precise words and well- constructed sentences so that the meaning is clear | 5 | 3 | 2 |
| ***Mechanics*:** Memo follows the conventions of Business English grammar, spelling, and usage | 4 | 3 | 2 |
| Appendix  | 15 | 10 | 5 |
| Video | 15 | 10 | 5 |
| Total points possible | 45 |  |  |