

Transactions Review

Some times the in-class quiz does not go so well . . .

Lets take a look at a few transactions

Hints

- ▶ Identify the transaction type first.
- ▶ If you worked the flash cards, you this is easy.
- ▶ Make sure your balance sheet balances.
- ▶ If you have only one arrow on the balance sheet, it is wrong.
- ▶ Follow the echo and get it categorized
 - ▶ Income statement changes show in Cash from operations
 - ▶ Asset changes show in cash from investments
 - ▶ Liability and Owner Equity Changes show in cash from finance

Pay a Loan

Just assume there is no interest for now.

Rev	Assets ↓ cash	Operations
Expense	Liabilities ↓	Investments
	OE	Finance ↓ cash

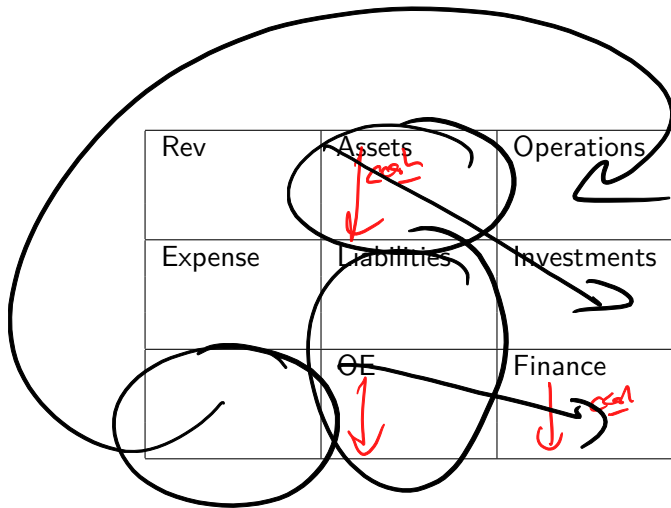
$$\downarrow A = \downarrow C + OE$$

↓ 1,000 = ↓ 1,000





Revenue Increases

Rev ↑	Assets	Operations ↑
Expense	Liabilities	Investments
NI ↑	OE	Finance

Owner Decreases Investment



Delivery With an Invoice





Rev	Assets 	Operations
Expense	Liabilities 	Investments 
	OE	Finance 

Categorize these

Some people don't appreciate the nature around them. A service that provides guided tours of the Columbia river gorge trails seems like a good idea.

1. Every business needs start up funds. Empty your personal savings and retirement into your business account.
2. Great weather means an uptick in sales.
3. You need to sell one of the two vans. There is not enough business to support it. We need the cash too.

Continued

4. You qualified for a Small Business Administration 7(a) Loan. Good thing too. We need the cash flow.
-  5. Cut more expenses by cutting your scheduler. You can handle that yourself.
-  6. Take delivery of some branded rain jackets. You paid cash, so there is nothing complicated.
-  7. First SBA loan payment is due.
-  8. Gas prices head up. Running the van just got more expensive.