

More Accounting

Well ...

Did you bring your balance sheet, income statement and cash flow statement?

Lets play a fun game of “Where is it?”

<https://prezi.com/rukunfcbnemy/intro-accounting/>

## Lets take a look at a few transactions

- ▶ Identify the transaction type first.
- ▶ If you worked the flash cards, 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	Operations
Expense	Liabilities	Investments
	OE	Finance

## Revenue Increases

Rev	Assets	Operations
Expense	Liabilities	Investments
	OE	Finance

## Owner Decreases Investment

Rev	Assets	Operations
Expense	Liabilities	Investments
	OE	Finance

## 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.

## Back to Ratios