

BLOCKCHAIN AUTO

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Bus 021 Term Project

Company name : Blockchain Auto

Industry: Automotive & Blockchain Technology

Fiscal Year End Date: December 31

Accounting Basis: Accrual

Providing a service for trading and selling cars with clean and salvage titles using blockchain technology.

Chart of Accounts

Assets:

- Cash (USDT)
- Accounts Receivable
- Inventory (Cars - Japan & Germany)

Liabilities:

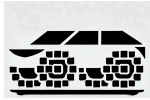
- Accounts Payable
- Notes Payable (Tether)

Owner's Equity:

- Owner's Equity (No Retained Earnings)

Revenue:

- Car Sales Revenue
- Car Parts Sales Revenue
- Crypto Transaction Fees Revenue



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- Blockchain Explorer Ad Revenue

Expenses:

- Salaries Expense
- Blockchain Security Expense
- Gas Fees Expense
- Advertising Expense
- Software Expense
- Data Mining Expense
- Blockchain Development Expense
- Crypto Volatility Losses

Transaction Recording

1. **3/10/24** – Took out a **\$436,000 loan in Tether (USDT)** to back **liquidity pools** for instant car trade transactions.

Debit: Cash (USDT) \$436,000

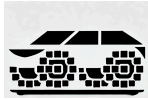
Credit: Long-Term Account Payable \$436,000

2. **3/11/24** – Paid **\$89,988** for **Blockchain Security Infrastructure**, enhancing transaction verification security.

Debit: Blockchain Security Expense \$89,988

Credit: Cash (USDT) \$89,988

3. **3/12/24** – Sold a **Chevy LS Engine** for **\$10,000**, paid in USDT.



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Debit: Cash (USDT) \$10,000

Credit: Sales Revenue \$10,000

4. **3/12/24** – Paid **\$120,000** in **Blockchain Development Costs** to enhance the vehicle trading platform.

Debit: Blockchain Development Expense \$120,000

Credit: Cash (USDT) \$120,000

5. **3/12/24** – Sold a **C7 Z06 Corvette** for **\$78,999**. The customer paid **\$20,000 in cash**, with the remaining **\$58,999 on credit**.

Debit: Cash (USDT) \$20,000

Debit: Accounts Receivable \$58,999

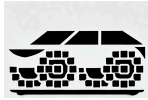
Credit: Sales Revenue (C7 Z06 Corvette) \$78,999

6. **3/13/24** – Collected **\$70,000** from **Token Swap Fees revenue** for vehicle trade transactions conducted using smart contracts.

Debit: Cash (USDT) \$70,000

Credit: Token Swap Fees Revenue \$70,000

7. **3/20/24** – Sold a **1995 Toyota Land Cruiser** for **\$45,654**. The customer paid in **USDT**.



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Debit: Cash (USDT) \$45,654

Credit: Sales Revenue \$45,654

8. **3/20/24** – Earned **\$178,000** in **Blockchain Explorer Ad Revenue** from businesses advertising car listings.

Debit: Cash (USDT) \$178,000

Credit: Blockchain Explorer Ad Revenue \$178,000

9. **3/21/24** – Paid **\$12,000** in **Blockchain Gas Fees** for processing smart contract transactions.

Debit: Blockchain Gas Fees Expense \$12,000

Credit: Cash (USDT) \$12,000

10. **3/28/24** – Earned **\$50,000** in **Smart Contract Deployment Fees** for setting up blockchain-based vehicle titles.

Debit: Cash (USDT) \$50,000

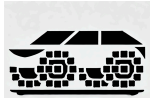
Credit: Smart Contract Deployment Fees Revenue \$50,000

11. **3/28/24** – Spent **\$80,000** on **Marketing advertisements** for blockchain-based car sales.

Debit: Marketing Expense \$80,000

Credit: Cash (USDT) \$80,000

12. **3/28/24** – Sold a **Transmission for LS Engine** for **\$4,500**, paid in cash.



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Debit: Cash (USDT) \$4,500

Credit: Sales Revenue \$4,500

13. **Month of March. 3/30/24** – Paid **\$90,000** in salaries for blockchain engineers and auto sales specialists.

Debit: Salaries Expense \$90,000

Credit: Cash (USDT) \$90,000

14. **3/31/24** – Lost **\$24,000** due to **Cryptocurrency Volatility** from Bitcoin reserves in a realized loss.

Debit: Cryptocurrency Volatility Loss \$24,000

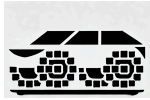
Credit: cash (USDT) \$24,000

15. **3/31/24** – Recorded **depreciation expense of \$15,000** for machinery used in scrapping cars for parts.

Debit: Depreciation Expense \$15,000

Credit: Accumulated Depreciation \$15,000

16. **4/5/24** – Purchased **8 imported cars (Japan & Germany)** for **\$760,000** on credit (clean titles).



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Debit: Vehicle Inventory \$760,000

Credit: Accounts Payable \$760,000

17. **4/5/24** – Paid **\$40,000** in **Data Mining Expenses** to analyze car transaction trends.

Debit: Data Mining Expense \$40,000

Credit: Cash (USDT) \$40,000

18. **4/5/24** – Earned **\$54,000** from **Transaction Confirmation Fees**, validating blockchain vehicle transactions.

Debit: Cash (USDT) \$54,000

Credit: Transaction Confirmation Fees Revenue \$54,000

19. **4/6/24** – Invested **\$250,000** in **Airdropping the Ecosystem Coin** to users providing data for blockchain car history tracking.

Debit: Ecosystem Coin Airdrop Expense \$250,000

Credit: Cash (USDT) \$250,00

Part 3: General Ledger and Trial Balance



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Fully Corrected T-Account Ledger with Ending Balances

Cash (USDT)

Debits	Credits
436000	89988
10000	120000
20000	12000
70000	80000
49554	90000
178000	24000
50000	40000
4500	250000
54000	
Balance:	162166

Sales Revenue

Debits	Credits
0	43654
	78999
	10000
	4500
Balance:	-139153

Token Swap Fees Revenue

Debits	Credits
0	70000
Balance:	-70000

Blockchain Development Expense

Debits	Credits
120000	0
Balance:	120000

Salaries Expense

Debits	Credits
90000	0
Balance:	90000

Cryptocurrency Volatility Loss

Debits	Credits
24000	0
Balance:	24000

Ecosystem Coin Airdrop Expense

Debits	Credits
250000	0
Balance:	250000

Accounts Receivable

Debits	Credits
58999	0
Balance:	58999

Blockchain Explorer Ad Revenue

Debits	Credits
0	178000
Balance:	-178000

Transaction Confirmation Fees Revenue

Debits	Credits
0	54000
Balance:	-54000

Blockchain Gas Fees Expense

Debits	Credits
12000	0
Balance:	12000

Depreciation Expense

Debits	Credits
15000	0
Balance:	15000

Vehicle Inventory

Debits	Credits
760000	0
Balance:	760000

Loan Payable (USD)

Debits	Credits
0	436000
Balance:	-436000

Accounts Payable

Debits	Credits
	760000
Balance:	-760000

Smart Contract Deployment Fees Revenue

Debits	Credits
0	50000
Balance:	-50000

Blockchain Security Expense

Debits	Credits
89988	0
Balance:	89988

Marketing Expense

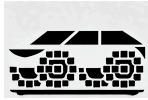
Debits	Credits
80000	0
Balance:	80000

Accumulated Depreciation

Debits	Credits
0	15000
Balance:	-15000

Data Mining Expense

Debits	Credits
40000	0
Balance:	40000



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Trial Balance

Account	Debits	Credits
Cash (USDT)	162166	0
Accounts Receivable	58999	0
Accounts Payable	0	760000
Sales Revenue	0	139153
Blockchain Explorer Ad Revenue	0	178000
Smart Contract Deployment Fees Revenue	0	50000
Token Swap Fees Revenue	0	70000
Transaction Confirmation Fees Revenue	0	54000
Blockchain Security Expense	89988	0
Blockchain Development Expense	120000	0
Blockchain Gas Fees Expense	12000	0
Marketing Expense	80000	0
Salaries Expense	90000	0
Depreciation Expense	15000	0
Accumulated Depreciation	0	15000
Cryptocurrency Volatility Loss	24000	0
Vehicle Inventory	760000	0
Data Mining Expense	40000	0
Ecosystem Coin Airdrop Expense	250000	0
Loan Payable (USDT)	0	436000
Total	\$1,702,153.00	\$1,702,153.00

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Income Statement	
For the Year Ended December 31, 2024	
	Amount (\$)
Revenues	
Sales Revenue	139153
Blockchain Explorer Ad Revenue	178000
Smart Contract Deployment Fees Revenue	50000
Token Swap Fees Revenue	70000
Transaction Confirmation Fees Revenue	54000
Total Revenues	\$491,153
Expenses	
Blockchain Security Expense	89988
Blockchain Development Expense	120000
Blockchain Gas Fees Expense	12000
Marketing Expense	80000
Salaries Expense	90000
Depreciation Expense	15000
Cryptocurrency Volatility Loss	24000
Data Mining Expense	40000
Ecosystem Coin Airdrop Expense	250000
Total Expenses	\$720,988
Net Income	\$-229,835



balance-sheet

	Amount (\$)
Cash	162166
Accounts Receivable	58999
Vehicle Inventory	760000
accumulated depreciation	-15000
TOTAL ASSETS	966165.00
Accounts Payable	760000
Long-Term Debt	436000
TOTAL LIABILITIES	1196000.00
Retained Earnings	-229835
TOTAL OWNER'S EQUITY	-229835.00
TOTAL LIABILITIES & OWNER'S EQUITY	
	966165.00



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Blockchain Auto
Statement of Cash Flows
For the Period Ended April 6, 2024

Operating Activities

Net Income	\$0.00
Total Sales Revenue (Vehicles & Parts)	\$109,153.00
Total Service Revenue (Blockchain Fees, Ads)	\$352,000.00
Payment for Blockchain Security Infrastructure	\$-89,988.00
Payment for Blockchain Development Costs	\$-120,000.00
Payment for Blockchain Gas Fees	\$-12,000.00
Marketing Expenses	\$-80,000.00
Salaries Payment	\$-90,000.00
Cryptocurrency Volatility Loss	\$-24,000.00
Data Mining Expenses	\$-40,000.00
Airdropping Ecosystem Coin	\$-250,000.00
Net Cash Provided (Used) by Operating Activities	\$-244,835.00

Investing Activities

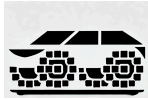
Net Cash Provided (Used) by Investing Activities	\$0.00
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Financing Activities

Loan Received for Liquidity Pool	\$436,000.00
Increase in Accounts Payable (Vehicle Inventory)	\$760,000.00
Net Cash Provided (Used) by Financing Activities	\$1,196,000.00

Net Increase in Cash

Net Increase in Cash	\$951,165.00
Cash at the Beginning of the Period	\$0.00
Cash at the End of the Period	\$951,165.00



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Financial report on Blockchain Auto

Financial Analysis of Blockchain Auto – April 6, 2025

Blockchain Auto is facing *financial distress*, with total liabilities of \$1,196,000 exceeding total assets of \$966,165, resulting in negative owner's equity of -\$229,835. This suggests the company is not solvent, as it lacks sufficient assets to cover its obligations. Liquidity is also a concern, with cash holdings of only \$162,166, which may not be enough to meet short-term liabilities like accounts payable of \$760,000. The company's reliance on long-term debt of \$436,000 further strains its financial stability. To improve its financial position, Blockchain Auto must increase profitability, reduce expenses, and seek additional funding to balance its financial structure. Without corrective action, its ability to sustain operations could be at risk.