

Class Case 2015-2016: Lawns R Us

Transactions List

- Received \$50,000 from Uncle Gill Bates
- Bought Lawn Mower for \$3,000 cash
- Bought Leaf Blower for \$200 cash
- Paid for advertising, 20
- Bought a garage for \$7,000 on credit
- Mowed a lawn, collecting \$80 cash
- Mowed a lawn, agreeing to be paid \$100 later
- Paid \$1,000 of the garage amount owed
- Got paid for transaction 7
- Bought gas for \$300 cash
- Withdrew \$30 for personal use

Transaction analysis

	Cash	Equipment	Garage	Accounts Receivable		Accounts payable	Capital	
1.	+50000						+50000	Inv.
2.	-3000	+3000					50000	
	<u>47000</u>	<u>3000</u>					<u>50000</u>	
3.	-200	+200					<u>50000</u>	
	<u>46800</u>	<u>3200</u>					<u>50000</u>	
4.			+7000			+7000	<u>50000</u>	
	<u>46800</u>	<u>3200</u>	<u>7000</u>			<u>7000</u>	<u>50000</u>	Rev
5.	+80						<u>50080</u>	Rev
	<u>46880</u>	<u>3200</u>	<u>7000</u>			<u>7000</u>	<u>50080</u>	
6.				+100			<u>50180</u>	Rev
	<u>46880</u>	<u>3200</u>	<u>7000</u>	<u>100</u>		<u>7000</u>	<u>50180</u>	
7.	-1000					-1000	<u>50180</u>	
	<u>45880</u>	<u>3200</u>	<u>7000</u>	<u>100</u>		<u>6000</u>	<u>50180</u>	
8.	+100						<u>50180</u>	
	<u>45980</u>	<u>3200</u>	<u>7000</u>	<u>0</u>		<u>6000</u>	<u>50180</u>	Exp
9.	-300						<u>49880</u>	WITH
	<u>45680</u>	<u>3200</u>	<u>7000</u>	<u>0</u>		<u>6000</u>	<u>49880</u>	
10.	-30						<u>49850</u>	
	<u>45650</u>	<u>3200</u>	<u>7000</u>	<u>0</u>		<u>6000</u>	<u>49850</u>	
		55850 ✓					55850 ✓	
			100 + 80					
			<u>300</u>					
			120					

Results

The ending Capital Balance is \$49,850. This is what the business is worth.

The total profit made is represented as Revenues (\$100 + \$80) minus Expenses (\$300)