

BUILD YOUR DREAM ENTERPRISE

CHAPTER 10 CASE SCENARIO

Have you ever wanted to start your own business? In this project you will have that opportunity. You will create a merchandising corporation. You will make decisions regarding the startup and operation of the business, including creating transactions that you would anticipate for your business.

Additional information:

- To reduce costs, your new company will have no employees initially. The owners will perform all services provided to customers.
- Start date: 01/01/2016.

TASK 1

OPTION 1

You can complete this project individually (Option 1A) or in teams (Option 1B). Ask your instructor whether you should use Option 1A or Option 1B to complete this project.

Select the option below that you will use:

- **Option 1A:** Complete Build Your Dream Enterprise Chapter 10 *individually*.
- **Option 1B:** Complete Build Your Dream Enterprise Chapter 10 in *teams*.

TASK 2

TEAM INSTRUCTIONS

If you are using teams (Option 1B), complete the following steps. (If you are completing the project individually (Option 1A), skip this task and proceed to Task 3.)

1. Form four-member teams.

2. Assign the following roles to team members:

- **Recorder:** Records information about team discussions and decisions.
- **Task Master:** Keeps the team on task and focused. Watches time to insure that tasks are completed on time.
- **Facilitator:** Facilitates the inclusion of all team members. Acts as leader when necessary.
- **Runner:** Obtains information, asks instructor questions, and so on.

3. Complete each of the following tasks as a team.

TASK 3

DECISIONS

Make the following decisions as you build your dream enterprise. You can base your data and decisions on a similar existing business.

If you are working in a team, make the decisions by reaching a team consensus.

Record the information in the spaces provided below.

COMPANY INFORMATION

Primary business	_____
Company name	_____
Amount each owner invests	_____
Company logo	_____
Company slogan	_____
Address	_____
City	_____
State	_____
Zip	_____
Tax ID	_____
Industry	_____
First month of fiscal year	_____
Income tax form	_____
File name	YourName BYDE10
What do you sell?	_____
Sales tax	Yes

COMPANY INFORMATION (CONTINUED)

Estimates	No
Billing statements	Yes
Invoices	Yes
Progress invoicing	No
Track bills you owe	Yes
Track time	Yes
Employees	No
Start date	01/01/2016
Use recommended income and expense accounts	Yes
Accrual or cash	Accrual
Bank account name	YourName Checking
Bank account number	_____
Bank account opening balance	0
Bank account opening balance date	01/01/2016

CUSTOMER INFORMATION

Customer name	_____
Contact	_____
Phone	_____
Address	_____
City	_____
State	_____
Zip	_____
Customer type	_____
Credit terms	_____
Customer account number	_____
Job status	_____
Job description	_____
Job type	_____

CUSTOMER INFORMATION (CONTINUED)

Customer name	_____
Contact	_____
Phone	_____
Address	_____
City	_____
State	_____
Zip	_____
Customer type	_____
Credit terms	_____
Customer account number	_____
Job status	_____
Job description	_____
Job type	_____

CUSTOMER INFORMATION (CONTINUED)

Customer name	_____
Contact	_____
Phone	_____
Address	_____
City	_____
State	_____
Zip	_____
Customer type	_____
Credit terms	_____
Customer account number	_____
Job status	_____
Job description	_____
Job type	_____

VENDOR INFORMATION

Vendor name	_____
Company name	_____
Address	_____
City	_____
State	_____
Zip	_____
Contact	_____
Phone	_____
Vendor account number	_____
Type	_____
Credit terms	_____
Credit limit	_____
Tax ID	_____
Vendor eligible for 1099	_____
Opening balance	0 as of 01/01/2016

VENDOR INFORMATION (CONTINUED)

Vendor name	_____
Company name	_____
Address	_____
City	_____
State	_____
Zip	_____
Contact	_____
Phone	_____
Vendor account number	_____
Type	_____
Credit terms	_____
Credit limit	_____
Tax ID	_____
Vendor eligible for 1099	_____
Opening balance	0 as of 01/01/2016

VENDOR INFORMATION (CONTINUED)

Vendor name	_____
Company name	_____
Address	_____
City	_____
State	_____
Zip	_____
Contact	_____
Phone	_____
Vendor account number	_____
Type	_____
Credit terms	_____
Credit limit	_____
Tax ID	_____
Vendor eligible for 1099	_____
Opening balance	0 as of 01/01/2016

ITEM INFORMATION

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

ITEM INFORMATION (CONTINUED)

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

ITEM INFORMATION (CONTINUED)

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

Item type	_____
Item name	_____
Subitem of	_____
Description	_____
Cost	_____
COGS account	_____
Rate	_____
Income account	_____
Tax code	_____
Asset account	_____
Quantity on hand	_____ as of 01/01/2016

Add more items as needed....	
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TASK 4 CREATE TRANSACTIONS

Prepare information about the various transactions for your dream enterprise during 2016.

1. List information related to your investment (and other owners')

Date	Owner	Initial Investment
		\$
		\$
		\$
		\$

2. Create vendor transactions for your new enterprise for the year 2016.

Create at least 10 transactions including:

- A minimum of 3 inventory purchases
- A minimum of 2 supply purchases
- A minimum of 1 rental transaction

Date	Vendor Transaction	Transaction Description

TASK 4

CREATE TRANSACTIONS (CONTINUED)

3. Create customer transactions for your dream enterprise (minimum of 10).

Date	Customer Transaction	Transaction Description

4. List any other transactions (beside vendor and customer transactions) you anticipate for your enterprise for the year 2016.

Date	Transaction Type	Transaction Description

TASK 5

ADJUSTMENTS

Create at least two year-end adjustments for your business. Record the adjustment information below.

Date	Transaction Type	Transaction Description
12/31/2016	Adjustment	
12/31/2016	Adjustment	
12/31/2016	Adjustment	
12/31/2016	Adjustment	

TASK 6

OPTION 2

Next, assume the role of the accounting professional using QuickBooks to maintain the accounting records for the new enterprise. Ask your instructor whether you should use Option 2A or Option 2B.

Select your option below:

- **Option 2A:** Prepare QuickBooks accounting records for the company you created. You will be recording the transactions that you prepared for this project.
- **Option 2B:** Exchange your company information with another individual (or team) in the class. Prepare QuickBooks accounting records for the other individual's (team's) company. That individual (team) will prepare QuickBooks accounting records for your company.

TASK 7

QUICKBOOKS ACCOUNTANT

Using the information from Tasks 3, 4, and 5, complete the following for 2016. For identification purposes, include your name in report footers and add your initials to the company name and checking account.

1. **Create a new QuickBooks company.**
2. **Customize the Chart of Accounts as needed, then print or export to Excel.**
3. **Create and print or export to Excel the Customer list.**
4. **Create and print or export to Excel the Vendor list.**
5. **Create and print or export to Excel the Item list.**
6. **Enter the transactions for the year in QuickBooks. Print or export to Excel the appropriate documents and reports.**
7. **Print or export to Excel the Trial Balance at December 31, 2016 (before adjustments).**
8. **Enter adjusting entries using the Journal. Print or export to Excel the adjusting journal entries.**
9. **Print or export to Excel the Adjusted Trial Balance.**
10. **Print or export to Excel the General Ledger (accounts in use only).**
11. **Print or export to Excel the Profit and Loss, Standard.**
12. **Print or export to Excel the Balance Sheet, Standard.**
13. **Print or export to Excel the Statement of Cash Flows.**
14. **Print or export to Excel any other reports that you find useful for the new enterprise.**

TASK 8

BACK UP

Back up your QuickBooks file using the QBB file name: **YourName BYDE10 (Backup).QBB**.

TASK 9

ANALYSIS

Analyze the financial performance of the enterprise. Make at least two recommendations to improve the company's performance.

Recommendations:	
1.	
2.	