

# BUILD YOUR DREAM ENTERPRISE

## *CHAPTER 9 CASE SCENARIO*

Have you ever wanted to start your own business? In this project you will have that opportunity. You will create a service company that is a limited liability company. 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 9 *individually*.
- **Option 1B:** Complete Build Your Dream Enterprise Chapter 9 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

<b>Primary business</b>	_____
<b>Company name</b>	_____
<b>Amount each owner invests</b>	_____
<b>Company logo</b>	_____
<b>Company slogan</b>	_____
<b>Address</b>	_____
<b>City</b>	_____
<b>State</b>	_____
<b>Zip</b>	_____
<b>Tax ID</b>	_____
<b>Industry</b>	_____
<b>First month of fiscal year</b>	_____
<b>Income tax form</b>	_____
<b>File name</b>	YourName BYDE9
<b>What do you sell?</b>	_____
<b>Sales tax</b>	No

**COMPANY INFORMATION (CONTINUED)**

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

## CUSTOMER INFORMATION

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

## CUSTOMER INFORMATION (CONTINUED)

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

## *CUSTOMER INFORMATION (CONTINUED)*

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

## VENDOR INFORMATION

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



## VENDOR INFORMATION (CONTINUED)

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

**VENDOR INFORMATION (CONTINUED)**

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

## ITEM INFORMATION

<b>Item type</b>	_____
<b>Item name</b>	_____
<b>Subitem of</b>	_____
<b>Description</b>	_____
<b>Rate</b>	_____
<b>Account</b>	_____
<b>Item type</b>	_____
<b>Item name</b>	_____
<b>Subitem of</b>	_____
<b>Description</b>	_____
<b>Rate</b>	_____
<b>Account</b>	_____
<b>Item type</b>	_____
<b>Item name</b>	_____
<b>Subitem of</b>	_____
<b>Description</b>	_____
<b>Rate</b>	_____
<b>Account</b>	_____

## 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 1 equipment purchase
- A minimum of 3 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 BYDE9 (Backup).QBB**.

## TASK 9

### ANALYSIS

Using information from Chapter 9 of *Computer Accounting with QuickBooks*, analyze the financial performance of the enterprise. Make at least two recommendations to improve the company's performance.

Recommendations:	
1.	
2.	