Financial Mapping

Exercise A

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The Fun Restaurant, Inc.

1. We invest $15,000 Cash to create The Fun Department, Inc. The company issues 15,000 shares of Common Stock (CS).

2. We borrow $15,000 cash from the bank. The note is for 2 years.

3. We purchased one workstation of computer equipment. Total price was $2,250 paid in cash.

4. Purchased a franchise (Intangible Asset) for $3,750

5. We purchased Inventory for The Fun Department Paid in cash $20,000.

6. A. Record Sales of $25,000:
   $16,000 was Cash
   $9,000 was on Accounts Receivable
   B. We sold $10,000 worth of Inventory.

7. Expenses for Operating Costs: rent, office supplies, sales, payroll and advertising, totaling $10,000.00:
   $7,000 Cash
   $2,000 on Accounts Payable
   $1,000 Taxes Payable

Yearend Transactions

8. Record yearend depreciation on Equipment. The estimated useful life is 3 years (no salvage value, straight- line depreciation).

9. Record Amortization for our franchise fee over 15 years.

10. A Cash payment is made at the end of the year on the Note Payable. Interest is 8%.
    A. Year 1 Interest is $1,200 ($15,000 * 8%).
    B. Year 1 Principal payment is $7,500.

11. The owner took Distributions totaling $2,000 in Cash.

12. The owner paid personal income taxes (cash). He is in the 25% tax bracket (2800 * .25 = $700).

Every transaction affects your Balance Sheet. Expenses reduce Earnings.

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1. We invest $15,000 Cash to create The Fun Dept. Inc.
   The company issues 15,000 shares of Common Stock (CS).

Cash _____	A/P
A/R	T/P
Inventory	N/P
F&E	Investments _____
Intangible Asset	RE Distributions
	Profit $0

Sales
- COGS Expenses
Gross Profit
- Operating Expenses
- Marketing Expenses
- Depreciation
- Interest
- Amortization
Profit $0

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1. We invest $15,000 Cash to create The Fun Dept. Inc.
   The company issues 15,000 shares of Common Stock (CS).

Cash	$15,000	A/P	
A/R		T/P	
Inventory		N/P	
F&E		Investments	$15,000
Intangible Asset		RE Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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2. We borrow $15,000 cash from the bank. The note is for 2 years.

Cash _____	A/P
A/R	T/P
Inventory	N/P _____
F&E	Investments $15,000
Intangible Asset	RE Distributions
	Profit $0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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2. We borrow $15,000 cash from the bank. The note is for 2 years.

Cash	$30,000	A/P	
A/R		T/P	
Inventory		N/P	$15,000
F&E		Investments	$15,000
Intangible Asset		RE Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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3. We purchased one workstation of computer equipment.
Total price was $2,250, paid in cash.

Cash	_____	A/P	
		T/P	
A/R		N/P	$15,000
Inventory			
F&E	_____	Investments	$15,000
Intangible Asset		RE	
		Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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3. We purchased one workstation of computer equipment. Total price was $2,250, paid in Cash.

Cash	$27,750	A/P	
		T/P	
A/R		N/P	$15,000
Inventory			
F&E	$2,250	Investments	$15,000
Intangible Asset		RE	
		Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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4. Purchased a franchise (Intangible Asset) for $3,750.

Cash	_____	A/P	
		T/P	
A/R		N/P	$15,000
Inventory			
F&E	$2,250	Investments	$15,000
Intangible Asset	_____	RE	
		Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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4. Purchased a franchise (Intangible Asset) for $3,750.

Cash	$24,000	A/P	
		T/P	
A/R		N/P	$15,000
Inventory			
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE	
		Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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5. We purchased Inventory for The Fun Dept. Paid in cash $20,000.

Cash	_____	A/P	
		T/P	
A/R		N/P	$15,000
Inventory	_____		
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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5. We purchased Inventory for The Fun Dept. Paid in Cash $20,000.

Cash	$4,000	A/P	
		T/P	
A/R		N/P	$15,000
Inventory	$20,000		
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	$0

Sales	
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$0

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6. A. Record Sales of $25,000:
   $16,000 was Cash
   $9,000 was on Accounts Receivable
B. We sold $10,000 worth of Inventory.

Cash	_____	A/P	
		T/P	
A/R	_____	N/P	$15,000
Inventory	$20,000		
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE	
		Distributions	
		Profit	_____

Sales	_____
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	_____

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6. A. Record Sales of $25,000:

$16,000 was Cash

$9,000 was on Accounts Receivable

B. We sold $10,000 of Inventory

Cash	$20,000	A/P	
A/R	$9,000	T/P	
Inventory	$20,000	N/P	$15,000
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	$25,000

Sales	$25,000
- COGS Expenses	
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$25,000

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6. A. Record Sales of $25,000:
   $16,000 was Cash
   $9,000 was on Accounts Receivable
   B. We sold 10,000 of Inventory

Cash	$20,000	A/P	
A/R	$9,000	T/P	
Inventory	_____	N/P	$15,000
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	_____
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	_____

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6. A. Record Sales of $25,000:
   $16,000 was Cash
   $9,000 was on Accounts Receivable
   B. We sold 10,000 of Inventory.

Cash	$20,000	A/P	
A/R	$9,000	T/P	
Inventory	$10,000	N/P	$15,000
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	$15,000

Sales	$25,000
- COGS Expenses	-$10,000
Gross Profit	
- Operating Expenses	
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$15,000

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7. Expenses for Operating, Sales & Marketing Expenses: Rent, supplies, sales, payroll and advertising, totaling $10,000.00.

$7,000 Cash
$2,000 Accounts Payable
$1,000 Taxes Payable

Cash	_____	A/P	_____
A/R	$9,000	T/P	_____
Inventory	$10,000	N/P	$15,000
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	-$10,000
Gross Profit	
- Operating Expenses	_____
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	_____

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7. Expenses for Operating, Sales & Marketing Expenses: Rent, supplies, sales, payroll and advertising, totaling $10,000.00.

$7,000 Cash
$2,000 Accounts Payable
$1,000 Taxes Payable

Cash	$13,000	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	$2,250	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	$5,000

Sales	$25,000
- COGS Expenses	-$10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	
- Interest	
- Amortization	
Profit	$5,000

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8. Record yearend depreciation on Equipment. The estimated useful life is 3 years (no salvage value, straight-line depreciation).

Cash	$13,000	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	_____	Investments	$15,000
Intangible Asset	$3,750	RE Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	_____
- Interest	
- Amortization	
Profit	_____

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8. Record yearend depreciation on Equipment. The estimated useful life is 3 years (no salvage value, straight-line depreciation).

Cash	$13,000	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,750	RE	
		Distributions	
		Profit	$4,250

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	
- Amortization	
Profit	$4,250

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9. Record Amortization for the franchise fee over 15 years.

Cash	$13,000	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	$1,500	Investments	$15,000
Intangible Asset	_____	RE	
		Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	
- Amortization	_____
Profit	_____

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9. Record Amortization for the franchise fee over 15 years.

Cash	$13,000	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE	
		Distributions	
		Profit	$4,000

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	
- Amortization	- $250
Profit	$4,000

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10. A Cash payment is made at the end of the year on the Note Payable. Interest is 8%.

A. Year 1 Interest is $1,200 ($15,000 * 8%).

B. Year 1 Principal payment is $7,500.

Cash	_____	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$15,000
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	_____
- Amortization	- $250
Profit	_____

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10. A Cash payment is made at the end of the year on the Note Payable. Interest is 8%.

A. Year 1 Interest is $1,200 ($15,000 * 8%).

B. Year 1 Principal payment is $7,500.

Cash	$11,800	A/P	
		T/P	
A/R	$9,000	N/P	$15,000
Inventory	$10,000		
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE	
		Distributions	
		Profit	_____

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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10. A Cash payment is made at the end of the year on the Note Payable. Interest is 8%.

A. Year 1 Interest is $1,200 ($15,000 * 8%).

B. Year 1 Principal payment is $7,500.

Cash	_____	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	_____
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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10. A Cash payment is made at the end of the year on the Note Payable. Interest is 8%.

A. Year 1 Interest is $1,200 ($15,000 * 8%).

B. Year 1 Principal payment is $7,500.

Cash	$4,300	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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11. The owner took Distributions totaling $2,000 in Cash.

Cash	_____	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	- _____
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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11. The owner took Distributions totaling $2,000 in Cash.

Cash	$2,300	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	- $2,000
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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12. The owner paid personal income taxes (Cash). He is in the 25% tax bracket (2800 * .25 = $700).

Cash	_____	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	- _____
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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12. The owner paid personal income taxes (Cash). He is in the 25% tax bracket (2800 * .25 = $700).

Cash	$1,600	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	- $2,700
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

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Statement of Cash Flows

Utilize this Page or Exercise Sheet B

Cash	$1,600	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	$2,700
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

Profit	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Ending Cash _____

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Cash	$1,600	A/P	$2,000
A/R	$9,000	T/P	$1,000
Inventory	$10,000	N/P	$7,500
F&E	$1,500	Investments	$15,000
Intangible Asset	$3,500	RE Distributions	$2,700
		Profit	$2,800

Sales	$25,000
- COGS Expenses	- $10,000
Gross Profit	
- Operating Expenses	- $10,000
- Marketing Expenses	
- Depreciation	- $750
- Interest	- $1,200
- Amortization	- $250
Profit	$2,800

Profit	$2,800
A/R	- $9,000
Inventory	- $10,000
A/P	$2,000
T/P	$1,000
Depreciation	
Amortization	
Buy Equipment	- $2,250
Buy Intangible Asset	- $3,750
Investments	$15,000
N/P Borrowing	$15,000
N/P Repayment	- $7,500
Distribution	- $2,700
Ending Cash	$1,600

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Notes

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Notes

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