

## **Group Projects – Chapter 1: Accounting and the Business Environment**

### **Project 1**

You are promoting a concert in your area. Your purpose is to earn a profit, so you will need to establish the business. Assume you organize as a proprietorship.

1. Make a detailed list of ten factors you must consider to establish the business.
2. Describe ten of the items your business must arrange in order to promote and stage the concert.
3. Prepare your business's income statement, statement of owner's equity, and balance sheet on August 31, 2014, immediately after the concert and before you have had time to pay all the business's bills and to collect all receivables. Use made-up amounts, and include a complete heading for each financial statement. For the income statement and the statement of owner's equity, assume the period is the three months ended August 31, 2014.
4. Assume that you will continue to promote concerts if the venture is successful. If it is unsuccessful, you will terminate the business within three months after the concert. Discuss how you will evaluate the success of your venture and how you will decide whether to continue in business.

### **Project 2**

You are opening a pet kennel. Your purpose is to earn a profit, so you will need to establish the business. Assume you organize as a proprietorship.

1. Make a detailed list of ten factors you must consider to establish the business.
2. Identify ten or more transactions that your business will undertake to open and operate the kennel.
3. Prepare the kennel's income statement, statement of retained earnings, and balance sheet at the end of the first month of operations before you have had time to pay all the business's bills. Use made-up amounts, and include a complete heading for each financial statement. Date the balance sheet as of September 30, 2014.
4. Discuss how you will evaluate the success of your business and how you will decide whether to continue its operation.