

# TEACHING GUIDE

*A Deloitte High School Challenge*

**Deloitte.**

CHALLENGE

1

## Can you help Vayu Sneakers get their accounts in order?



### Welcome to the Vayu Sneakers Accounting Challenge!

We think you and your students are going to love working through this unique challenge that helps reinforce introductory accounting concepts. It's a great way to immerse accounting students in the entrepreneurial world of a sneaker start up. They'll meet Morgan Bretta who is a young entrepreneur living her dream of owning her own business. Your students will take on the role of accounting interns providing Morgan with small business accounting knowledge and guidance.

**Note:** this business is a retail business. You may need to give a briefing on how inventory will be treated as an asset and debited when purchased.

**Time:** This challenge will take 120-145 minutes of class time to complete.

**Before starting this challenge, your students must be able to:**

- Create a chart of accounts
- Journalize daily transactions
- Post to the ledger
- Create a trial balance

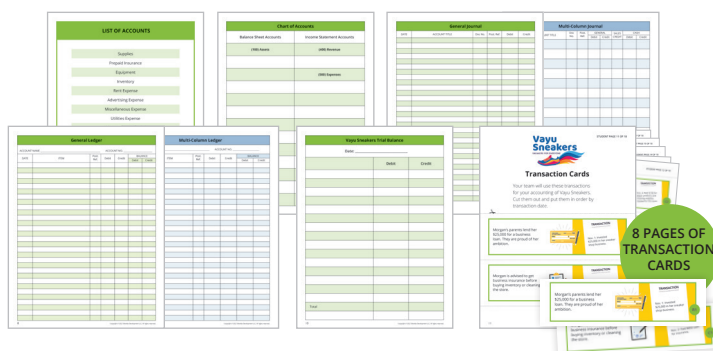


# Let's Get Started!

1. **Show the video** of Morgan's entrepreneurial journey. Discuss the video with your class.

2. **Share these documents** with your students:

- Introduction pages
- List of accounts
- Blank Chart of Accounts
- Transaction cards
- Blank Journal (general journal and multi-column journal are provided). They will need two blank pages each.
- Blank Ledger (general ledger and multi-column ledger are provided). They will need two blank pages each.
- Blank Trial Balance sheet



3. **Organize students in groups** to complete the necessary accounting records as a team. Remind them to think carefully about why they are making the choices they make.

4. **Give students the opportunity to audit** another group's documentation trail by sharing the teacher answer key.

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### LIST OF ACCOUNTS

Supplies

Prepaid Insurance

Equipment

Inventory

Rent Expense

Advertising Expense

Miscellaneous Expense

Utilities Expense

Morgan Bretta, Capital

Morgan Bretta, Drawing

Cash

Petty Cash

Sales

Accounts Payable, Replenish Sneakers

Accounts Receivable, Talot School District Athletics

## ANSWER KEY

Chart of Accounts	
Balance Sheet Accounts	Income Statement Accounts
<b>(100) Assets</b>	<b>(400) Revenue</b>
110 Cash	410 Sales
120 Petty Cash	<b>(500) Expenses</b>
130 Accounts Receivable-Talot School District Athletics	510 Advertising Expense
140 Inventory	520 Miscellaneous Expense
150 Supplies	530 Rent Expense
160 Equipment	540 Utilities Expense
170 Prepaid Insurance	
<b>(200) Liabilities</b>	
210 Accounts Payable-Replenish Sneakers	
<b>(300) Owner's Equity</b>	
310 Morgan Bretta, Capital	
320 Morgan Bretta, Drawing	

# ANSWER KEY

PAGE 1 General Journal					
DATE	ACCOUNT TITLE	Doc No.	Post. Ref.	Debit	Credit
Nov. 1	Cash	R1	110	25,000.00	
	Morgan Bretta, Capital		310		25,000.00
2	Prepaid Insurance	C1	170	850.00	
	Cash		110		850.00
4	Supplies	C2	150	190.00	
	Cash		110		190.00
4	Rent Expense	C3	530	1,800.00	
	Cash		110		1,800.00
5	Misc. Expense	C4	520	360.00	
	Cash		110		360.00
5	Equipment	C5	160	820.00	
	Cash		110		820.00
6	Equipment	C6	160	2,200.00	
	Cash		110		2,200.00
7	Inventory	M1	140	5,500.00	
	Account Payable-Replenish Sneakers		210		5,500.00
8	Misc. Expense	C7	520	3,700.00	
	Cash		110		3,700.00
10	Misc. Expense	C8	520	120.00	
	Cash		110		120.00
10	Advertising Expense	C9	510	255.00	
	Cash		110		255.00
11	Cash	T11	110	2,872.00	
	Sales		410		2,872.00
12	Supplies	C10	150	84.00	
	Cash		110		84.00
12	Cash	T12	110	1,220.00	
	Sales		410		1,220.00
13	Accounts Receivable, Talot School District	S1	130	850.00	
	Sales		410		850.00

# ANSWER KEY

PAGE 2 General Journal					
DATE	ACCOUNT TITLE	Doc No.	Post. Ref.	Debit	Credit
14	Accounts Payable-Replenish Sneakers Co	C11	210	2,500.00	
	Cash		110		2,500.00
15	Cash	R2	110	850.00	
	Account Receivable-Talot School District Athletics		130		850.00
16	Utilities Expense	C12	540	79.00	
	Cash		110		79.00
17	Cash	T17	110	425.00	
	Sales		410		425.00
17	Misc. Expense	C13	520	110.00	
	Cash		110		110.00
18	Inventory	M2	140	980.00	
	Account Payable-Replenish Sneakers		210		980.00
19	Advertising Expense	C14	510	240.00	
	Cash		110		240.00
20	Utilities Expense	C15	540	65.00	
	Cash		110		65.00
21	Cash	T21	110	1,875.00	
	Sales		410		1,875.00
21	Account Payable-Replenish Sneakers	C16	210	980.00	
	Cash		110		980.00
22	Cash	T22	110	289.00	
	Sales		410		289.00
23	Inventory	C17	140	540.00	
	Cash		110		540.00
24	Cash	T24	110	812.00	
	Sales		410		812.00
25	Morgan Bretta, Drawing	C18	320	2,000.00	
	Cash		110		2,000.00
26	Accounts Payable, Replenish Sneakers	C19	210	3,000.00	
	Cash		110		3,000.00

# ANSWER KEY

PAGE 1 Multi-Column Journal									
DATE		ACCOUNT TITLE	Doc No.	Post. Ref.	GENERAL		SALES CREDIT	CASH	
					Debit	Credit		Debit	Credit
Nov.	1	Morgan Bretta, Capital	R1	310		25,000.00		25,000.00	
	2	Prepaid Insurance	C1	170	850.00				850.00
	4	Supplies	C2	150	190.00				190.00
	4	Rent Expense	C3	530	1,800.00				1800.00
	5	Miscellaneous Expense	C4	520	360.00				360.00
	5	Equipment	C5	160	820.00				820.00
	6	Equipment	C6	140	5,500.00				2,2000.00
	7	Inventory	C6	140					2,2000.00
		Accounts Payable, Replenish Sneakers		210		5,500.00			
	8	Miscellaneous Expense	C7	210	3,700.00				
	10	Miscellaneous Expense	C8	520	120.00				120.00
	10	Advertising Expense	C9	510	255.00				255.00
	11	✓	T11	✓			2,872.00	2,872.00	
	12	Supplies	C10	150	84.00				84.00
	12	✓	T12	✓			1,220.00	1,220.00	
	13	Accounts Receivable, Talot School District	S1	130	850.00		850.00		
	13	Carried Forward		✓	16,729.00	30,500.00	4,942.00	29,092.00	10,379.00

# ANSWER KEY

PAGE 2 Multi-Column Journal									
DATE		ACCOUNT TITLE	Doc No.	Post. Ref.	GENERAL		SALES CREDIT	CASH	
					Debit	Credit		Debit	Credit
	13	Brought Forward		✓	16,729.00	30,500.00	4,942.00	29,092.00	10,379.00
Nov.	14	Accounts Payable-Replenish Sneakers	C11	210	2,500.00				
	15	Accounts Receivable-Talot School District Athletics	R2	130		850.00		850.00	
	16	Utilities Expense	C12	540	79.00				79.00
	17	✓	T17	✓			425.00	425.00	
	17	Miscellaneous Expense	C13	520					
	18	Inventory	M2	140	980.00				
		Accounts Payable-Replenish Sneakers		210		980.00			
	19	Advertising Expense	C14	510	240.00				240.00
	20	Utilities Expense	C15	540	65.00				65.00
	21	✓	T21	✓			1,875.00	1,875.00	
	21	Accounts Payable-Replenish Sneakers	C16	210	980.00				980.00
	22	✓	T22	✓			289.00	289.00	
	23	Inventory	C17	140	540.00				540.00
	24	✓	T24	✓			812.00	812.00	
	24	Totals			22,223.00	32,330.00	8,343.00	33,343.00	14,893.00
					✓	✓	(140)	(110)	(110)



# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Cash</b>			ACCOUNT NO. <b>110</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 1		G1	25,000.00		25,000.00	
2		G1		850.00	24,150.00	
3		G1		190.00	23,960.00	
4		G1		1,800.00	22,160.00	
5		G1		360.00	21,800.00	
6		G1		820.00	20,980.00	
7		G1		2,200.00	18,780.00	
8		G1		3,700.00	15,080.00	
9		G1		120.00	14,940.00	
10		G1		255.00	14,705.00	
11		G1	2,872.00		17,577.00	
12		G1		84.00	17,493.00	
13		G2	1,220.00		18,713.00	
14		G2		2,500.00	16,213.00	
15		G2	850.00		17,063.00	
16		G2		79.00	16,984.00	
17		G2	425.00		17,409.00	
17		G2		110.00	17,299.00	
18		G2		240.00	17,059.00	
19		G2		65.00	16,994.00	
20		G2	1,875.00		18,869.00	
21		G2		980.00	17,889.00	
22		G2	289.00		18,178.00	
23		G2		540.00	17,638.00	
24		G2	812.00		18,450.00	
25		G2		2,000.00	16,450.00	
26		G2		3,000.00	13,450.00	

# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Petty Cash</b>			ACCOUNT NO. <b>120</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit

General Ledger						
ACCOUNT NAME <b>Accounts Receivable-Talot School District</b>			ACCOUNT NO. <b>130</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 13		G1	850.00		850.00	
Nov. 15		G2		850.00	-----	

General Ledger						
ACCOUNT NAME <b>Inventory</b>			ACCOUNT NO. <b>140</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 7		G1	5,500.00		5,500.00	
Nov. 18		G2	980.00		6,480.00	
Nov. 23		G2	540.00		7,020.00	

# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Supplies</b>			ACCOUNT NO. <b>150</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 4		G1	190.00		190.00	
Nov. 12		G1	84.00		274.00	

General Ledger						
ACCOUNT NAME <b>Equipment</b>			ACCOUNT NO. <b>160</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 5		G1	820.00		820.00	
Nov. 6		G1	2,200.00		3,020.00	

General Ledger						
ACCOUNT NAME <b>Prepaid Insurance</b>			ACCOUNT NO. <b>170</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 2		G1	850.00		850.00	

# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Accounts Payable-Replenish Sneakers</b>				ACCOUNT NO. <b>210</b>		
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 7		G1		5,500.00		5,500.00
Nov. 14		G1	2,500.00			3,000.00
Nov. 18		G2		980.00		3,980.00
Nov. 21		G2	980.00			3,000.00
Nov. 26		G2	3,000.00			-----

General Ledger						
ACCOUNT NAME <b>Morgan Bretta, Capital</b>				ACCOUNT NO. <b>310</b>		
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 1		G1		25,000.00		25,000.00

General Ledger						
ACCOUNT NAME <b>Morgan Bretta, Drawing</b>				ACCOUNT NO. <b>320</b>		
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 25		G2	2,000.00		2,000.00	

# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Sales</b>			ACCOUNT NO. <b>410</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 11		G1		2,872.00		2,872.00
Nov. 12		G1		1,220.00		4,092.00
Nov. 18		G2		850.00		4,940.00
Nov. 17		G2		425.00		5,365.00
Nov. 21		G2		1,875.00		7,240.00
Nov. 22		G2		289.00		7,529.00
Nov. 24		G2		812.00		8,343.00

General Ledger						
ACCOUNT NAME <b>Advertising Expense</b>			ACCOUNT NO. <b>510</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 10		G1	255.00			255.00
Nov. 19		G2	240.00			495.00

# ANSWER KEY

General Ledger						
ACCOUNT NAME <b>Miscellaneous Expense</b>			ACCOUNT NO. <b>520</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 5		G1	360.00		360.00	
Nov. 8		G1	3,700.00		4,060.00	
Nov. 10		G1	120.00		4,180.00	
Nov. 17		G2	110.00		4,290.00	

General Ledger						
ACCOUNT NAME <b>Rent Expense</b>			ACCOUNT NO. <b>530</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 14		G1	1,800.00		1,800.00	

General Ledger						
ACCOUNT NAME <b>Utilities Expense</b>			ACCOUNT NO. <b>540</b>			
DATE	ITEM	Post. Ref.	Debit	Credit	BALANCE	
					Debit	Credit
Nov. 16		G2	79.00		79.00	
Nov. 20		G2	65.00		144.00	

# ANSWER KEY

Multi-Column Ledger							
ACCOUNT NAME <b>Cash</b>				ACCOUNT NO. <b>110</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	26		G2	33,343.00		33,343.00	
	26		G2		19,893.00	13,450.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Petty Cash</b>				ACCOUNT NO. <b>120</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit

Multi-Column Ledger							
ACCOUNT NAME <b>Accounts Receivable-Talot School District</b>				ACCOUNT NO. <b>130</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	13		G1	850.00		850.00	
	15		G2		850.00	-----	

# ANSWER KEY

Multi-Column Ledger							
ACCOUNT NAME <b>Inventory</b>				ACCOUNT NO. <b>140</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	7		G1	5,500.00		5,500.00	
	18		G2	980.00		6480.00	
	23		G2	540.00		7,020.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Supplies</b>				ACCOUNT NO. <b>150</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	4		G1	190.00		190.00	
	12		G1	84.00		274.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Equipment</b>				ACCOUNT NO. <b>160</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	5		G1	820.00		820.00	
	6		G1	2,200.00		3,020.00	



# ANSWER KEY

Multi-Column Ledger							
ACCOUNT NAME <b>Prepaid Insurance</b>				ACCOUNT NO. <b>170</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	2		G1	850.00		850.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Supplies</b>				ACCOUNT NO. <b>150</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	4		G1	190.00		190.00	
	12		G1	84.00		274.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Accounts Payable-Replenish</b>				ACCOUNT NO. <b>210</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	7		G1		5,500.00		5,500.00
	14		G2	2,500.00			3,000.00
	18		G2			980.00	3,980.00
	21		G2	980.00			3,000.00
	26		G2	3,000.00			-----

# ANSWER KEY

Multi-Column Ledger							
ACCOUNT NAME <b>Morgan Bretta, Capital</b>				ACCOUNT NO. <b>310</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	1		G1		25,000.00		25,000.00

Multi-Column Ledger							
ACCOUNT NAME <b>Morgan Bretta, Drawing</b>				ACCOUNT NO. <b>320</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	25		G2	2,000.00		2,000.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Sales</b>				ACCOUNT NO. <b>410</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	24		G2		8,343.00		8,343.00

## ANSWER KEY

Multi-Column Ledger							
ACCOUNT NAME <b>Advertising Expense</b>				ACCOUNT NO. <b>510</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	10		G1	255.00		255.00	
	19		G2	240.00		495.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Miscellaneous Expense</b>				ACCOUNT NO. <b>520</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	5		G1	360.00		360.00	
	8		G1	3,700.00		4,060.00	
	10		G1	120.00		4,180.00	
	17		G2	110.00		4,290.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Rent Expense</b>				ACCOUNT NO. <b>530</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	4		G1	1,800.00		1,800.00	

Multi-Column Ledger							
ACCOUNT NAME <b>Utilities Expense</b>				ACCOUNT NO. <b>540</b>			
DATE		ITEM	Post. Ref.	Debit	Credit	BALANCE	
						Debit	Credit
Nov.	16		G2	79.00		79.00	
	20		G2	65.00		144.00	

## ANSWER KEY

Vayu Sneakers Trial Balance		
Date: <u>November 31, 202X</u>		
	Debit	Credit
Cash	13,450.00	
Petty Cash		
Accounts Receivable-Talot School District		
Inventory	7,020.00	
Supplies	274.00	
Equipment	3,020.00	
Prepaid Insurance	850.00	
Accounts Payable-Replenish Sneakers		
Morgan Bretta, Capital		25,000.00
Morgan Bretta, Drawing	2,000.00	
Sales		8,343.00
Advertising Expense	495.00	
Miscellaneous Expense	4,290.00	
Rent Expense	1,800.00	
Utilities Expense	144.00	
Total	<b>33,343.00</b>	<b>33,343.00</b>

# Can you help Vayu Sneakers get their accounts in order?

**Help Morgan make Vayu Sneakers a success by setting up her accounting system and documenting transactions!**

Congratulations! You've been hired as an accounting intern. Your first task is to read all about your new client, Morgan Bretta's sneaker company. Next, be sure you've got all of Morgan's business transactions which you'll put in order by date. Once you're organized, make sure you've got all the ledgers, journals, and chart of accounts needed to do the job. Let's get started!

## MEET MORGAN Vayu Sneakers Owner

Morgan Bretta just graduated from college and has always wanted to own a store. As a kid, she ran lemonade stands on the weekend and sold candy at school events. She worked in the campus bookstore during college and now she wants her own store. She has a massive collection of sneakers and considers herself a sneaker expert. A couple of months ago, a local thrift store closed and gave away all their inventory for free. Morgan borrowed a truck and picked up every pair of sneakers they had. She stayed up nights writing a business plan and sharing her ideas with her family. Then, unexpectedly her parents surprised her with the money to start the sneaker store she'd been dreaming about.

Morgan called her new sneaker store *Vayu Sneakers*. She found a great rental space near where she went to college. Not only is the rent totally reasonable, but it's also a great location for a sneaker store because it's already equipped for retail from a previous business.



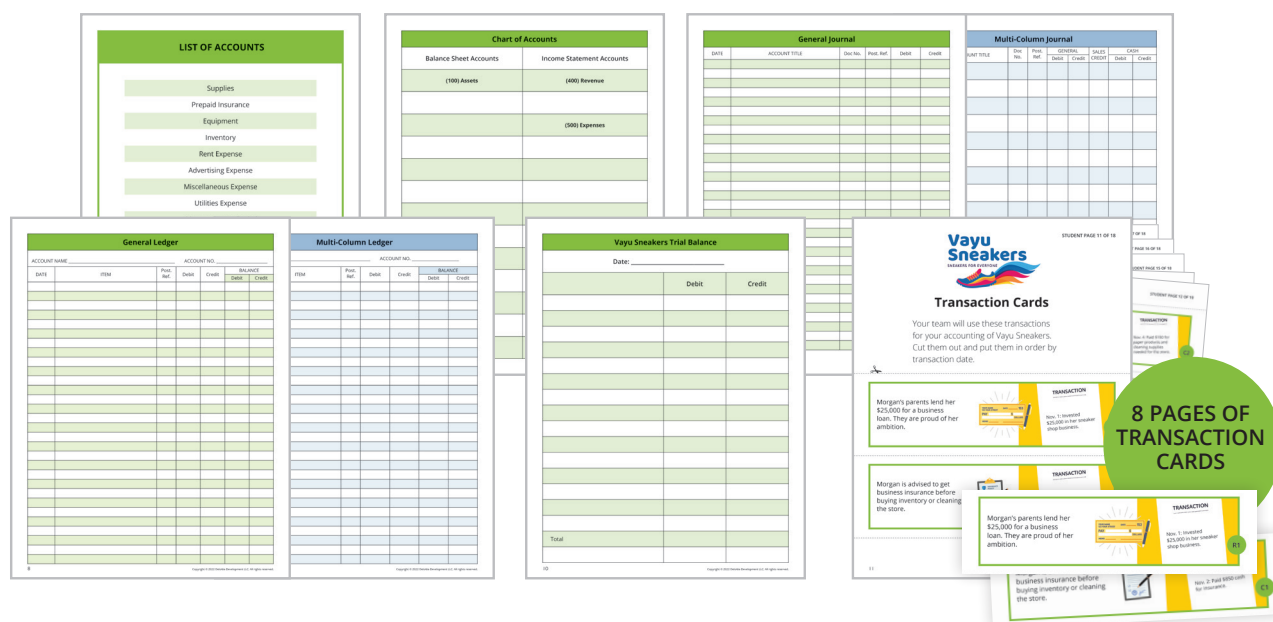
While Morgan has some inventory, she also found a reliable wholesaler, *Replenish Sneakers*, to keep her stocked with a wide variety of sneakers, including some rare finds. Luckily, she also convinced her old high school basketball team to support her business and buy all their team shoes at her store. So, Morgan already has her first account receivable. Here's where you come in:

## YOUR ACCOUNTING MISSION!

YOU are one of the interns at a local accounting firm. You've been assigned to help Morgan set up the financials for her business and record some transactions. Let's get started!

Now that you understand the business Morgan owns, let's make sure you've got everything you need to get her finances in order. You should have:

- A list of Morgan's accounts
- A blank Chart of Accounts
- Blank Journal pages
- Blank Ledger pages
- A blank Trial Balance
- A series of 30 Transaction Cards





**Got everything? Great.**  
**Take the following steps to help Morgan keep track of her transactions.**

**STEP 1:** Using the list of accounts, fill in your Chart of Accounts for *Vayu Sneakers*. This is a list of all of the accounts used by a business. Remember: each transaction you'll be recording changes the balances of at least two accounts.

**STEP 2:** The 30 Transaction Cards are Morgan's daily activities. You will record these in the blank Journal pages.

**Notes to remember:**

1. Make sure to keep them in chronological order!
2. Include the document number.  
 R = receipts  
 C = checks  
 M = memorandum (or purchasing on account)  
 T = calculator tape (or the amount received from sales)  
 S = sales invoice
3. Fill in the post reference that matches the account numbers you've already set up.
4. Don't forget each entry has a debit and credit for double-entry accounting.

**STEP 3:** Post the journal entries to the blank ledger pages.

**Notes to remember:**

1. Keep your ledgers chronological and make sure to carry over both the debits and credits. Your post reference will be different now as it refers to the PAGE of your journal.
2. You need to create a ledger for each of your accounts, so you should have 15 accounts when you're finished.

**STEP 4:** Prove Cash: Morgan's checkbook balance is \$13,450. Audit your ledger to be sure that your cash ledger matches her cash balance and complete the trial balance.

# LIST OF ACCOUNTS

Supplies

Prepaid Insurance

Equipment

Inventory

Rent Expense

Advertising Expense

Miscellaneous Expense

Utilities Expense

Morgan Bretta, Capital

Morgan Bretta, Drawing

Cash

Petty Cash

Sales

Accounts Payable, Replenish Sneakers

Accounts Receivable, Talot School District Athletics



## Chart of Accounts

Balance Sheet Accounts	Income Statement Accounts
(100) Assets	(400) Revenue
	(500) Expenses
(200) Liabilities	
(300) Owner's Equity	

[illegible]

# Multi-Column Journal

[illegible]

# General Ledger

ACCOUNT NO. \_\_\_\_\_

[illegible]

# Multi-Column Ledger

ACCOUNT NAME \_\_\_\_\_ ACCOUNT NO. \_\_\_\_\_

[illegible]

## Vayu Sneakers Trial Balance

Date: \_\_\_\_\_

	Debit	Credit
Total		

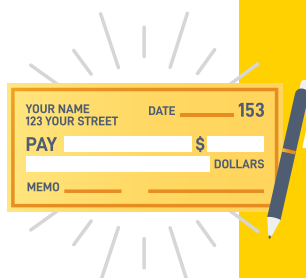


## Transaction Cards

Your team will use these transactions for your accounting of Vayu Sneakers. Cut them out and put them in order by transaction date.



Morgan's parents lend her \$25,000 for a business loan. They are proud of her ambition.



### TRANSACTION

Nov. 1: Invested \$25,000 in her sneaker shop business.

R1

Morgan is advised to get business insurance before buying inventory or cleaning the store.



### TRANSACTION

Nov. 2: Paid \$850 cash for insurance.

C1



The store Morgan is renting is a mess! She and her friends plan to clean after work. She stops at a store to buy cleaning supplies.

**TRANSACTION**

Nov. 4: Paid \$190 for paper products and cleaning supplies needed for the store.

C2

While cleaning the store, Morgan runs into the landlord and pays them for the rent. She is excited! Her dream of being an entrepreneur is becoming real!

**TRANSACTION**

Nov. 4: Paid \$1,800 for rent.

C3

Morgan received the thrift store shoes, and they definitely need to be cleaned before she can sell them! She hires a local company.

**TRANSACTION**

Nov. 5: Paid \$360 to a local cleaning company to clean the shoes. (Record this as a miscellaneous expense.)

C4

Once Morgan starts placing inventory on the shelves, it is obvious that she needs more shelves. Her father found a store liquidating old shelving that is in good condition. This will be equipment on the books as it will be used year after year.

**TRANSACTION**

Nov. 5: Paid \$820 cash for used shelves from the thrift store.

C5





Morgan is prepping for opening day but she realizes the existing cash register is broken and she needs a new one.



TRANSACTION

Nov. 6: Paid \$2,200 cash for a new cash register.

C6

Morgan starts to fill the shelves, but she wants to add new shoes too. *Replenish Sneakers* agrees to allow her to buy on credit. She is excited about this as she can order now and pay later.

TRANSACTION

Nov. 7: Bought \$5,500 of inventory from Replenish Sneakers on account.

M1

Morgan wants to remodel by painting and refreshing the shelves. She hires a local construction company to do the renovation. She's a little shocked at the invoice! (Record this as a miscellaneous expense.)

TRANSACTION

Nov. 8: Paid \$3,700 cash for construction and renovation.

C7

After the renovation is complete and the inventory arrives, Morgan, her family, and friends work tirelessly to get the store ready for opening day! She buys pizza for everyone as a thank you. (Record this as a miscellaneous expense.)

TRANSACTION

Nov. 10: Paid \$120 cash for pizza.

C8



Morgan's friend wants to help with marketing. She's a great artist and designs flyers to print and hang at the local shopping centers to help spread the word.

TRANSACTION

Nov. 10: Paid \$255 for advertising.

C9

The grand opening date finally arrives. Everyone is very supportive, and at the end of the day, Morgan is thrilled with the sales.



TRANSACTION

Nov. 11: Received \$2,872 cash in sales.

T11

Morgan is surprised how many supplies she went through on opening day! She runs to the store to buy more paper products, cash register tape, and printer ink.



TRANSACTION

Nov. 12: Paid \$84 for supplies.

C10

A lot of her friends are posting on social media, so the second day of sales is also a welcome surprise! Morgan sells almost as many shoes as she did on opening day.

TRANSACTION

Nov. 12: Received \$1,220 in cash in sales.

T12



Morgan takes an order from *Talot School District Athletics* for a \$850 purchase of sneakers for their basketball team. This is the first sale she has made on account.



### TRANSACTION

Nov. 13: Sold \$850 of shoes on account from Accounts Receivable, Talot School District Athletics.

S1

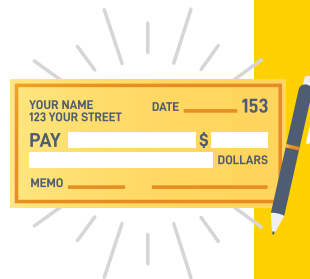
Morgan has 30 days to pay the *Replenish Sneakers* account. She wants to make sure that she stays in good standing with the business so that she can order from them again.

### TRANSACTION

Nov. 14: Morgan paid \$2,500 on account to Replenish Sneakers Company.

C11

Morgan receives a check from *Talot School District Athletics* for the basketball sneakers that were purchased on account.



### TRANSACTION

Nov. 15: Received a check for \$850 to pay off the Talot School District Athletics account.

R2

The landlord stops by and gives Morgan the electric bill for the month. She wants to pay it right away.



### TRANSACTION

Nov. 16: Paid \$79 for the electric bill.

C12



Morgan has a rather slow day in the store today ...  
ugh!



TRANSACTION

Nov. 17: Received  
\$425 in cash in sales.

T17

One of the shelves is starting to collapse and Morgan needs to fix it ASAP. She calls the same company who did the renovation to fix the shelf.

TRANSACTION

Nov. 17: Paid \$110 for  
repairs.

C13

Morgan runs out of one of the most popular shoe styles. She puts in an order to Replenish Sneakers for \$980. She will pay them later.

TRANSACTION

Nov. 18: Bought  
\$980 inventory  
on account from  
*Replenish Sneakers*.

M2

After seeing how her friend's posts helped boost sales for the grand opening, Morgan wants to give paid social media a try. She paid \$240 for ads out of her business checking account to a local influencer.

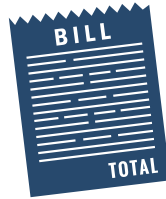
TRANSACTION

Nov. 19: Paid \$240  
for paid social  
media.

C14



She receives a bill for the water and sewage.



### TRANSACTION

Nov. 20: Paid \$65 for water and sewage to *Union City Water Authority*.

C15

The social media ads must have worked, because it's another great day of sales!



### TRANSACTION

Nov. 21: Received \$1,875 in cash sales.

T21

Vayu Sneakers pays cash on account to *Replenish Sneakers* for the inventory purchased earlier this month.



### TRANSACTION

Nov. 21: Paid \$980 on account to *Replenish Sneakers*.

C16

Morgan has another poor day of sales.



### TRANSACTION

Nov. 22: Received \$289 in cash sales.

T22



Morgan finds a new supplier online who sells some awesome rare shoes. She is excited for this find, but she must pay cash to this supplier, as they won't allow purchases on account.

TRANSACTION

Nov. 23: Paid \$540 cash for new inventory from *Retro-Resale.com*

C17

The new inventory is a hit. Morgan's sales increase.



TRANSACTION

Nov. 24: Received \$812 in cash sales.

T24

Morgan needs to pay her personal bills. She withdraws \$2,000 from the business for personal use.

TRANSACTION

Nov. 25: Paid \$2,000 cash to Morgan Bretta for personal use.

C18

Morgan has a 30-day agreement with *Replenish Sneakers*. She agreed to pay off all balances on her account payable by 30 days of charging. She needs to pay off that account.



TRANSACTION

Nov. 26: Paid \$3,000 cash to Replenish Sneakers to pay off her account balance.

C19