

## Assignment 1 - Madi's Notebook

**March 1, 2018**

Today is the day I start my business. Opened a company bank account for Mad Mad World Taxidermy, and deposited \$500 cash, I also provided my \$15,XXX car (2016 Volkswagen Jetta), and \$800 worth sewing equipment for the company. Exchanged all of these assets for shares in my new company, Mad Mad World Taxidermy.

**(Note the XXX here should be the last three digits of a team-member's student number.)**

**March 1**

My friend (a lawyer) helped me set up the company. He billed me \$200 for legal fees – which I think is a phenomenal deal. I haven't paid the bill yet.

**March 1**

Purchased supplies on account - \$50.

**March 2**

Purchased 10 "How to" Taxidermy books for cash. Plan to sell them along with my taxidermy rats. Cost \$8 each. (These books are inventory).

**March 2**

Borrowed \$3,000 cash from my brother (he's rich). I signed a note promising to pay him back the full amount PLUS 5% annual interest on or before his birthday – (October 4) – can you believe that cheapskate would charge his only sister INTEREST!?!)

**March 2**

Purchased a one-year insurance policy on the assets of the business - \$YYY.  
Paid cash.

**(Note the YYY here should be the last three digits of a DIFFERENT team-member's student number.)**

**March 3**

Purchased 3 rats from Petland<sup>1</sup> – these rats will be used in my first 3 taxidermy pieces – paid \$27 cash. Made Rat #1 into Santa Claus, Rat #2 became a College student, and Rat #3 became a sports superfan.

**(Note rats are Madi's inventory.)**

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<sup>1</sup> When Madi purchases her rats, they are already dead. The rats are sold by pet stores to snake owners as snake food.

**March 4**

Went to my first artisan market. Sold the College student rat for \$60, and the Sports fan rat for \$50. Received cash for the College student rat, but the sports fan sale was to my friend Patrick, who promised to pay me later – he better not forget. Also, paid a \$25 fee to have a table at the market. Sold 6 “How to” Taxidermy Books for \$15 each – received cash.<sup>2</sup>

**March 5**

To celebrate my first sale, I took myself out to dinner. \$50. Used the company’s bank account to pay, I didn’t do any work or anything, but I was too tired to cook from the day at the market, so I think I should include this in my business costs. This is expensable right?

**March 8**

Purchased three more rats from Petland - \$30. Made the first into a Mermaid, the second into a ballerina and the third into a wizard.

**March 9**

Ran out of supplies, purchased \$100 more. Paid cash.

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<sup>2</sup> In this case, your cost of goods sold for rats will be the cost Madi paid when she bought the rat from Petland. In reality, and as you’ll learn in the followup course – Managerial Accounting – the full cost of goods sold will include her labour cost, and overhead costs as well~!!! This case is a simplification of a very challenging topic.

**March 10**

Purchased 5 more "How to" Taxidermy Books for cash. Cost \$9 each.

**March 12**

Paid the legal bill.

**March 14**

Hired a friend (very limited hours) to help me out. I'll pay \$12/hour to help with setup and selling at events.

**March 15**

Attended another artisan market (cost to have a table: \$25.) Sold the Mermaid for \$100 and wizard rat for \$60. Both were sold on account, with customers promising to pay within 30 days. Sold 8 "How to" Taxidermy books – all for cash - \$15 each.

**March 17**

Purchased four more rats from Petland - \$44 cash. Made a race car driver, a cowboy, a school teacher and a poker player.

**March 18**

Purchased 12 more "How to" Taxidermy books for cash - \$10 each.

**March 20**

Sold three (!) rats on Etsy. Santa Claus - \$90, the ballerina - \$60, and the cowboy - \$40. Etsy takes a 10% of revenue, but the rest of the money has appeared in my account. Woohoo!

**March 23**

Attended the artisan market and sold the poker player - \$80, and the school teacher \$100. Both were on account. I'd better start collecting some of this money soon!! Paid the exhibitor cost of \$25 cash. Sold 4 "How to" Taxidermy books - \$15 cash each.

**March 24**

Paid my friend four hours of wages from the March 23 market.

**March 25**

Purchased 3 more rats from Petland - \$36, cash. – An astronaut, a zombie and a zombie hunter.

**March 26**

Ran out of supplies again, purchased more - \$80 cash.

**March 27**

The zombie and zombie hunter sold as a package deal on Etsy \$220. Etsy took its 10% fee, but the rest of the money landed in my bank account.

**March 28**

Received payment for a custom order for a very fancy Princess Rat. \$250. Will begin making the rat in the next few days.

**March 29**

Received but did not pay my telephone bill. \$45.

**March 30**

Received a bill for internet hosting for March \$20 – paid.

**March 31**

Celebrated my first month in business and I bought myself a new bracelet (with the company's cash) -\$100.