

Chapters 17, 28, and 29 Introduction to Business

Introduction to Business and
Technology
Mr. Lumpkin

Read Chapters 17, 28, and 29 from the
Introduction to Business textbook and prepare
to take a three-question pop quiz.

Managing Business and Personal Finances



Define the three
components of the
accounting equation?

Your business has the following
items in it:

Land \$750,000

Machinery \$25,000

Cash \$25,000

Debt \$0

Owner's Equity ?

What is the value of the owner's
equity? _____

If I was to rank all of your
companies from the most to the
least profitable, I would look at
the (balance sheet or income
statement) to compare the net
income as a percentage of net
sales.

Describe the three main
financial statements
used by businesses.

**Joe is the business loan professor for a local bank.
Which of the following should Blake look at when
deciding whether or not to let a business borrow
money?**

- A. The cash balance and liabilities from the balance sheet, and the revenues from the income statement.**
- B. The liabilities as a percentage of sales from the balance sheet, and the net income from the income statement.**
- C. The liabilities as a percentage of total assets from the balance sheet, and the net income as a percentage of net sales from the income statement.**

Your annual salary is \$50,000. Your monthly
deductions are as follows –

Federal Tax Rate – 20%

State Tax Rate – 7%

Rent - \$700.00

Car Payment - \$400.00

Car Insurance - \$200.00

Food - \$85.00

What is your disposable monthly income?

Create your own personal budget
using a spreadsheet in Microsoft
Excel. Wait for me to explain the
assignment.

Standard – BMA-IBT-8
Understand, interpret, and use
accounting principles to make
financial decisions.

Standard – BMA-IBT-9
Develop effective money
management strategies and
understand the role and functions
of financial institutions.

**What are the seven steps to preparing a
budget?**

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8. Set Goals to Cut Cost**

Blake's bank statement shows a
balance of \$2000.00. Since the
statement date, Blake had
deposits of \$1000.00 and \$450.00.
He has visited the ATM for
withdrawals of \$275.00 and
\$40.00 when he took Christie to
the movies. He has written checks
for \$47.00, \$92.00, \$101.00, and
\$209.00. What is his account
balance?

