Second Sale is Complete

Take a deep breath! AHH The second sale has completed and everything went to plan. You are sold out! All the money came in $48.00 in cash and a few sales on credit to the football team players for $2.00. Lets post it onto our balance sheet

To post this add the $48.00 to your cash which had $14.00 and now it will have $62.00. Your inventory had $20.00 but that is subtracted as you sold all the inventory. Now inventory has 0 dollars
With the new journal entry for AR Accounts receivable lets post the $2,00 from our friends on the football team. You still have $1.00 in FFE Furniture Fixtures and Equipment for the investment in pitchers ad mixing equipment. This will be referred to as CAPEX which is short for capital expenditures. Compare this with OPEX which are operating expenses such as rent, payroll, and advertizing.

This is important to understand because when we calculate our operating expense later on verses our revenue we will want an accounting of regular expenses to create an accurate net operating income (called NOI). Much more on this later.

Your Balance Sheet should look the below poasted sample


LESSON 2: BALANCE SHEET
ASSETS $65.00
CASH $62.00
INVENTORY $0.00
AR ACCOUNTS RECEIVABLE $2.00
FFE FURNITURE, FIXTURES AND EQUIPMENT $1.00
LIABILITIES $24.00
NOTES SHORT TERM $4.00
AP ACCOUNTS PAYABLE $20.00
EQUITY $41.00
ORIGINAL INVESTMENT $2.00
RETAINED EARNINGS $9.00
REVENUES TO DATE $30.00
I GOT THIS
ASSETS = LIABILITIES + EQUITY
$65.00 $24.00 $41.00