Mr. Eason’s Chop Shop

Mr. Eason has been running a Barbershop and he must prepare a couple financial statements for the end of the fiscal year (December 31st, 2015). He does not want to get himself into trouble so he has entrusted his wonderful grade 10 Business class to prepare a balance sheet and Income statement for him.

Task: You must use your knowledge and notes to create a balance sheet and Income statement for him.

1. Balance Sheet

Look through the information provided about the Chop Shop. Make sure to accurately identify the Assets and Liabilities before inputting the information. Create a Balance Sheet with the templates provided (Hard Copy or electronic, they are posted on the wiki). You only have to do **one** of two formats discussed in class.

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| Cash: $28,000 |
| Supplies: $500 |
| Account’s Payable $1500 |
| Equipment $1,500 |
| Accounts Receivable $1,100 |
| Bank Loan $12,000 |
| Hair Product Inventory $250 |
| Taxes Payable $4,700 |
| Salaries Payable $19, 500 |

2. Income Statement

Mr. Eason would also like you to complete an Income statement for him. Look through the information and create an Income statement with the templates provided.

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| Haircut Revenue $110,000 |
| Salaries $19,500 |
| Rent $15,000 |
| Advertising $1200 |
| Supplies $500 |
| Utilities $1500 |
| Insurance $900 |
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| Category | Level 1 | Level 2 | Level 3 | Level 4 |
| Thinking  Ability to accurately separate assets/liabilities  and Revenue/ Expenses and calculate Equity and Net Income | Does so with a limited degree of effectiveness | Does so with a some degree of effectiveness | Does so with a considerable degree of effectiveness | Does so with a high degree of effectiveness |
| Communication  Organization of numbers and information | Demonstrates a limited degree of organization | Demonstrates a good degree of organization | Demonstrates a considerable degree of organization | Demonstrates a high degree of organization |
| Application  Ability to create a proper balance sheet and Income Statement (headings, setup, balance sheet balances out, totals underlined appropriately) | Does so with a limited degree of effectiveness | Does so with a some degree of effectiveness | Does so with a considerable degree of effectiveness | Does so with a high degree of effectiveness |