

## Sergeant Splatter's Paintball Experience

John Splatter, a recent graduate, has decided to go into business for himself. He loves to go paintballing, and has decided to turn his passion into profit by opening his own paintball 'experience!'

John has saved up \$25,000 in the past few summers and has decided to use that money to start his business.

Consequently, the opening balance sheet for the business looks like this:

Sergeant Splatter's Paintball Experience			
Balance Sheet			
January 1, 2015			
<u>Assets</u>		<u>Liabilities</u>	
Cash	25,000	<u>Owner's Equity</u>	
		J. Sergeant, Capital	25,000
Total Assets	<u>25,000</u>	Total Liabilities & Equity	<u>25,000</u>

As well, throughout January, Sergeant Splatter's has various transactions which affect the new business – you will be helping John keep track of these!

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### Requirements:

1. Using the balance sheet above, set up the ledger (download SSplatterTAccounts from the website) for Sergeant Splatter's Paintball Experience.
  2. Post January's transactions to the ledger.
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### January Transactions

1. John finds a great place to rent. It is an old arena that he can pay for month by month. He pays his first instalment of \$1750 to owners and is given the keys to the front door.
2. John decides he needs a sign. He purchases a great big 'Sergeant Splatter's' neon sign for \$1200. He pays cash.
3. John also finds an old truck for \$3000 to drive around for business use. He buys it, on account, from Ray Cullen Chevrolet.
4. Various supplies are needed which John purchases for \$600. He pays in cash.
5. One of the main items needed are paintball shooters. (They are considered 'equipment'.) Each one cost \$250. Ten of them are bought for the business with cash.
6. Various obstacles are needed for the arena, which John also considers 'equipment.' He buys \$750 worth of obstacles from Obstacles Inc. on account.

7. John decides to pay off his truck loan.
8. Sergeant Splatter's gets ready for business. It puts an Ad in the local 'Metro' paper for \$300.
9. On opening day, 40 people come to Sergeant Splatter's. Each one pays \$50 to play for two hours.
10. The next day, 50 people come! All of them pay in cash.
11. John needs to make repairs to some of the obstacles. It costs him \$155 which he pays in cash.
12. John decides to sell his truck. He sells it to a friend for \$2100 cash.
13. John decides to withdraw \$500 for his personal use.
14. With his own money, John goes out for lunch, paying \$4.
15. Thinking ahead, John decides to apply for a bank loan of \$200,000. He is approved, and the money is deposited in his account.
16. John decides to buy himself a newer truck. It costs \$42,000, on account, to Ray Cullen Chevrolet.
17. Forty Subway employees are treated to a day of paintballing at \$50 each. The bill will be paid later in the month.
18. During the remainder of the month, John makes sales of \$21,550. All are paid in cash.
19. The bank loan is paid down by \$5,000.
20. John negotiates with the owners of the Arena, Tandum Corp. They say he can buy it for \$233,000. John agrees, paying \$200,000 up front and owing them the rest.