

HOMEWORK – WEEK 3 MONEY MAKERS

The Trend is your Friend

Good afternoon Money Makers. Tomorrow's presentation is all about Income Statements, also called Profit and Loss Statements. For tonight's homework, you are going to get started on your own set of "books" that is to say, your own financial statements, starting with, you guessed it, the Income Statement.

At this point in time, there's no need to get too technical, so let's keep it simple. The basic formula for an Income Statement is Revenue (also called sales, or income) - Expenses = Profit (or loss)

It looks like this

Sales

- Expenses

Revenue

What we would like you to do is to draft up 2 Income Statements for your business. If you've been in business for over a year, follow the first set of rules. If you're a new business, follow the second set of rules.

Rules – Set 1 (existing businesses)

- 1) For the first Income Statement, use sales and expenses incurred in March of 2020. These are for your own viewing, so draft them up however you like. You can pull a Quickbooks report, or use Excel, or Paper and Pencil. Again, keep it simple.
- 2) For the second Income Statement. Using the same format, draft a second statement using the sales and expenses incurred in March of 2021
- 3) Identify if your "Profit" is trending Up, Down or is about the same

Rules – Set 2

- 1) For the first Income Statement, use sales and expenses incurred last month, March of 2021. These are for your own viewing, so draft them up however you like. You can pull a Quickbooks report, or use Excel, or Paper and Pencil. Again, keep it simple.
- 2) For the second Income Statement. Using the same format, draft a second statement one year from now. Brainstorm on where you would like your future Sales to be as well as a reasonable guess on what your future Expenses would be, thus giving you a Profit.
- 3) Identify if your "Profit" is trending Up, Down or is about the same

We will discuss people's "Trends" during the first breakout session at tomorrow's Workshop.

Cheers,

Seth