

## Creating an Art / Culture Business

### Learning Goals:

Upon completion of this activity, the student will demonstrate that he/she can:

- Identify and describe a service business related to the arts and culture industry
- Create transactions typical of a business involved in arts and culture
- Analyse transactions for a service business
- Record transactions in T accounts
- Calculate account balances
- Prepare a properly formatted trial balance
- Prepare a properly formatted balance sheet

### Part 1: Interview Activity

In order to complete the assignment for this chapter, you will need to do some research to learn more about an art/culture related business. Your research may be conducted by visiting someone who works in a business related to arts and culture. Some suggested ideas are listed below:

*Live Performing Arts:* local theatre companies, orchestras, dance studios

*Writing and Publishing:* newspapers, local magazines

*Visual Arts and Crafts:* local artists, galleries

*Film, Television and Broadcasting:* local radio and TV stations, cable companies

*Digital Media:* web designers, graphic designers, online marketers

*Music and Sound Recording:* music producers, recording studios, TV stations

*Heritage:* archives, historical sites, storytellers, culture centres

You want to find out the following either by telephone or in person.

- What is needed (in terms of assets) to start up a business
  - Loans, personal investments, physical assets
- Typical transactions that occur in a day
- Any other information that you think will be pertinent for you to complete the assignment

Information gathered should be included with your assignment (typed or original notes are acceptable)

### Part 2: Accounting Application

You will create a service business in one the sectors of arts and culture that you researched. Create and complete your own accounting exercise for your new business.

### Steps:

*In Microsoft Word:*

1. Create a name for your service business.
2. Create a list of accounts that the business would need to use. There must be a minimum of 10 accounts - 6 assets, 3 liabilities and 1 capital.
3. Create a minimum of 10 financial transactions that would be likely to occur in your service business.
  - a. Make sure your sentences contain all the necessary information: Dollar values, names, whether cash or credit is used, and so on.
  - b. Your first transaction must describe the owner's initial investment of cash into the business.

## Appendix A

- c. Make some of your transactions more complicated by involving more than two accounts, e.g., performed service and received partial payment, the remainder put on account. Be creative!

### *In Microsoft Excel:*

4. Develop an answer key for the 10 transactions you created in step 3, including a Transaction Analysis Sheet, T-Accounts, Trial Balance and Balance Sheet. Remember to use Excel formulas and functions to do the calculations. Do not use a calculator! When printing out Excel solutions – print out the original (showing #'s) then print a formula sheet (select all cells and press [Ctrl] + ~).

### **To be submitted to the teacher:**

Interview notes

Word document (business name, list of 10 accounts, 10 transactions)

Excel Worksheets (transaction analysis chart, T-accounts, Trial Balance, Balance Sheet)

Appendix A

Accounting for an Arts and Culture Business – Rubric

	Level				Level Assigned
	4	3	2	1	
<b>Knowledge</b> Student meets requirements with _____ effectiveness:					
<ul style="list-style-type: none"> <li>Creates a service business based on art or culture</li> <li>Identifies assets appropriate for the art or culture business</li> </ul>	High degree of	Considerable	Some	Limited	
<b>Thinking</b> Student meets requirements with _____ effectiveness:					
<ul style="list-style-type: none"> <li>Transactions are appropriate for the business chosen</li> <li>Variety in type and complexity of transactions</li> </ul>	High degree of	Considerable	Some	Limited	
<b>Communication</b> Student meets requirements with _____ effectiveness:					
<ul style="list-style-type: none"> <li>Transactions provide all pertinent information (amounts, full description)</li> <li>Assignment is edited for spelling and grammar</li> <li>Trial balance and balance sheet prepared correctly (accounts, amounts, classifications, calculations, formatting, titles, etc.)</li> </ul>	High degree of	Considerable	Some	Limited	
<b>Application</b> Student meets requirements with _____ effectiveness:					
<ul style="list-style-type: none"> <li>Initial transaction is balanced and includes owner investment</li> <li>Transactions recorded in transaction analysis sheet correctly</li> <li>Transactions recorded properly in T accounts</li> <li>Account balances correctly calculated and identified</li> <li>Effective use of excel (efficient use of formulas, formatting)</li> </ul>	High degree of	Considerable	Some	Limited	