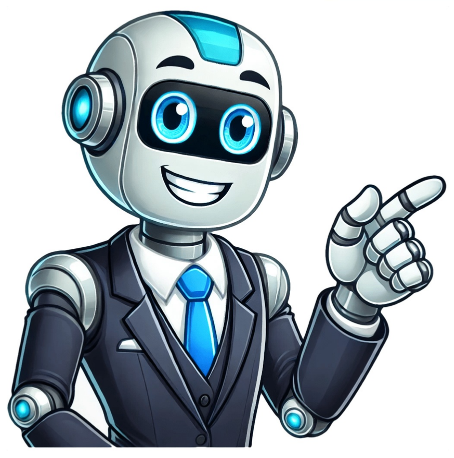
I'm not a bot



Transaction analysis form

This assignment requires finding relevant past deals for analysis purposes. It's about compiling a list of transactions that can provide valuable insights and comparable data to estimate the value of the company in question. To do this, you'll need access to industry databases, financial news sources, and other research tools. Be prepared to face potential challenges like getting enough accurate information on past deals and ensuring they're comparable to the company being analyzed. You'll also need to conduct detailed research on each selected transaction, gathering all relevant info and insights about it. Comprehensive research is key for accurate analysis and valuation purposes. You can find this info in various sources such as financial reports, transaction documents, news articles, and analyst reports. Make sure to record your findings and insights in the designated form fields. Next, you'll need to extract key financial data from each selected transaction. This involves gathering figures like revenue, EBITDA, net income, and other relevant metrics. You might encounter challenges in getting complete financial data for all selected transactions. Record the financial data in the provided form fields. After that, you'll standardize the financial figures of each selected transaction to allow for meaningful comparability. This task involves adjusting the financial data to a consistent basis. The goal is to have a set of standardized financial figures that can be easily compared across transactions. You might encounter challenges in determining appropriate adjustments and ensuring the comparability of the standardized figures. Lastly, you'll calculate valuation multiples for each selected transaction. This task involves applying relevant formulas and calculations to the standardized financial figures. Record the calculated valuation multiples in the provided form fields. Looking at the distribution of data is essential to grasp what's normal and unusual values. To accomplish this task, you'll need to use data visualization tools and techniques. Keep track of your findings in the given form fields. Your task involves examining industry trends and their influence on transaction pricing. The goal is to understand how market dynamics and factors impact prices for transactions. By doing this, you should gain insights into industry trends and their effect on the value of the company in question. To complete this task, you'll need to conduct research, analyze relevant data, and review market reports. Make sure to record your findings in the given form fields. Your task is to establish a range of valuation multiples that can be used to estimate the value of the subject company. The aim is to create a trading range reflecting how the market perceives the company's worth. To complete this task, consider the chosen multiples, industry benchmarks, and current market conditions. Record your determined trading range in the given form fields. Drawing conclusions about the estimated value of the subject company based on transaction comparables is the purpose of this task. You'll use selected transactions and valuation multiples to estimate the value of the subject company. The goal is to reach a conclusion about the estimated company's value. To complete this task, analyze the company's financial data, apply the selected multiples, and consider other relevant factors. Record your conclusions and estimation in the given form fields. Preparing a detailed report based on analysis and findings is the role of this task. The aim is to document the entire process, analysis, and conclusions in a comprehensive report. To complete this task, compile all information, structure the report, and ensure clarity and coherence in the content. Record your report details in the given form fields. Revising the report based on feedback and further analysis is the purpose of this final task. The goal is to review and improve the initial report for accuracy, clarity, and completeness. To complete this task, carefully review the report, address any feedback or suggestions, and ensure all sections are well-refined. Record your revision details in the given form fields. When reviewing business transactions, it's essential to break down what accounts are involved, understand their characteristics, and then assess the transaction's financial impact on the company. This process is part of a larger cycle known as journalizing, which ensures that each transaction is correctly recorded in the accounting records. If this step isn't done properly, errors can occur in journal entries, leading to incorrect accounting records and ultimately affecting the accuracy of financial statements. Transaction analysis itself involves four main steps: 1. **Identifying Accounts**: The first step is to determine which accounts are involved in a transaction. This typically includes identifying at least two accounts under the double-entry system used in accounting. 2. **Classifying Accounts**: Once the accounts are identified, the next step is to classify their nature—whether they're assets, equity, liabilities, withdrawals, revenues, or expenses. For example, a cash account would be classified as an asset account because it represents money that can be used for business purposes. 3. **Determining Financial Impact**: Every valid transaction affects the entity's financial status by increasing or decreasing one of these accounts. In some cases, this might mean adding capital to the business (like in Robert Traders' case) or reducing it due to expenditures. 4. **Applying Debit and Credit Rules**: Finally, based on the classifications from step 2, you apply rules about how debits and credits should be allocated among accounts affected by a transaction. This is crucial for accurately recording transactions in the general journal or ledger. If an account has a normal balance of debit, increases are recorded on the debit side, while decreases are recorded on the credit side. Conversely, if the account has a normal balance of credit, increases are recorded on the credit side, and decreases are recorded on the debit side. To illustrate this concept, let's analyze the transactions of Robert Traders: Commenced a trading business by investing $50,000 cash. Purchased inventory amounting to $30,000 for cash. Sold goods to Mr. Right amounting to $10,000 on credit. Paid salaries to employees amounting to $1,400 Paid $150 to a local newspaper for running an advertising campaign. Received cash from Mr. Right of $9,750 and allowed him a cash discount of $250 Purchased inventory amounting to $20,000 from Z & Co. on credit Paid $50 cash for warehouse rent. Paid to Z & Co. $19,700 and received a cash discount of $300. How would you analyze the above six transactions of Robert Traders? 1. Is this transaction an accounting transaction? Yes, it relates to the business and involves a monetary amount. 2. Which ledgers does this transaction affect? The cash account and the rent expense account. 3. What type of account are these accounts? The cash account is an asset account, and the rent expense account is an expense account. 4. Will this increase or decrease lead to each account being debited or credited? Yes, a decrease in cash will be credited, and an increase in rent expense will be debited. 5. What is the amount to be entered into each account? The monetary amount is $4,000 for both accounts. Injection of Capital Transaction Example: A company starts with a capital injection of $30,000 cash from its owner, increasing both cash (asset) and capital (equity) accounts by $30,000. Accounting Transaction Analysis Template: Use this template to analyze various accounting transactions, including the ones listed below. Download the template PDF format at [link]. Additional examples can be found in our Examples section. Now that you understand the basic accounting equations, let's review several business transactions. We'll use Lynn Sanders' small printing company, Printing Plus, as an example. Since it's a corporation, we'll use the Common Stock account instead of Owner's Equity. Transactions: 1. Issues $20,000 shares of common stock for cash. 2. Purchases equipment on account for $3,500, payment due within the month. 3. Receives $4,000 cash in advance from a customer for services not yet rendered. 4. Provides $5,500 in services to a customer who asks to be billed for the services. 5. Pays a $300 utility bill with cash. 6. Distributed $100 cash in dividends to stockholders. We'll analyze each transaction and its impact on the accounting equation and financial statements: Transaction 1: Issues $20,000 shares of common stock for cash. Analysis: Cash increases as an asset, while Common Stock increases equity by $20,000. The company's financials see a $20,000 increase in assets and liabilities, keeping the equation balanced. A cash injection will boost both asset value and the statement of cash flows. Stockholder equity also sees an uptick due to common stock changes. Transaction two involves purchasing equipment for $3,500 on credit, payment due within the month. Analysis shows this as a liability under accounts payable, with assets increasing due to new equipment and liabilities rising by the same amount. This transaction keeps the accounting equation in balance. Receiving $4,000 cash upfront from a customer for services not yet rendered is next. This boosts assets but introduces unearned revenue as a liability, per the revenue recognition principle. The company's books now reflect increased assets and liabilities. Transaction four involves providing services worth $5,500 to a customer who requests billing instead of immediate payment. This adds to accounts receivable, an asset, while also increasing equity by $5,500. The income statement sees a boost in revenues, impacting net income (loss) and subsequently retained earnings on the statement of retained earnings. A company pays its utility bill of $300 in cash. This transaction reduces the company's cash asset by $300, decreasing equity by the same amount. As a result, the balance sheet is affected, and the statement of cash flows shows a decrease in cash. The expense recognized for this utility bill decreases net income (loss), which is then computed into retained earnings on the statement of retained earnings. This change affects the balance sheet under stockholder's equity.

The results of transaction analysis in accounting format. What is transaction analysis in accounting. Analyze transaction. Transaction analysis examples. Transaction analysis format. Precedent transaction analysis formula. Transactions analysis. Transaction analysis formula. Transaction cost analysis formula.