

Name:

Date:

Class:

Accounting Services

Skill:

- Analysis (AN)

Time on Task:

- 40–45 minutes

Goal/Purpose:

- The goal of this activity is to analyze the types of accounting services you may need from an accountant or an accounting firm for your business.

Use the following prompts to determine how accounting services might be beneficial for your business. This information may be reported to the class according to your instructor's guidelines, so be sure to provide enough information to facilitate a debate or discussion. Your instructor will give you instructions on the submission method.

1. Navigate to the SBA website. While on the home page, select the **Business Guide** button to open the drop-down menu. From that menu, select **Manage your finances** from under the **Manage your business** heading. Read the article and draft a short summary detailing why you might or might not want to hire a professional accountant to help with your business finances.

Answer:

2. Determine whether it makes sense to hire an accountant (and if so, which one) based on the following information. Be prepared to support your opinion.
 - You are a small-business owner operating a restaurant in a trendy neighborhood.
 - Your business has continually grown over the last 18 months, and you are considering expanding. You have created some financial forecasts to help decide whether to expand. You determine that expansion will increase your annual revenue by \$18,000 over the next two years, but your expenses will also increase by \$10,000. With that in mind, you have decided to take the risk and expand.
 - You are concerned that the expansion will leave you little time to manage other aspects of the business and are considering hiring an accounting firm. You have met with three local firms and asked them to provide price quotes for their services. All three quotes are for two-year contracts, with quoted prices paid annually.
 - Firm 1 submitted a quote of \$2,000 to manage payroll, provide tax services, and

- manage cash flow.
- Firm 2 submitted a quote of \$2,750 to manage payroll, provide financial analysis and advisement, and create budgets and cash flow forecasts.
 - Firm 3 submitted a quote of \$3,500 to manage payroll, provide tax services, review financial documents, advise on financial decisions, and help manage cash flow.

Answer: