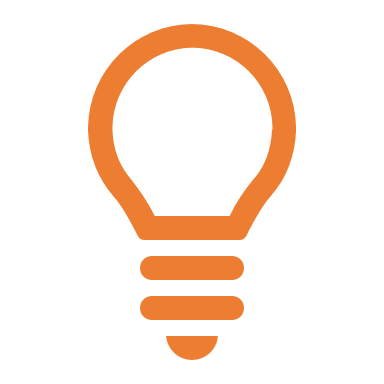
**Project – Based Learning (PBL)**

**Template**

Project-Based Learning is a teaching method in which students gain knowledge and skills by working for an extended period of time to investigate and respond to an engaging and complex question, problem or challenge

**PBL code name:** C9\_S2\_6

**PBL title:** Personal Balance Sheet



**Project Idea**

Let's analyze your particular financial situation, where the same logic applies. You have assets, i.e., things you own that have a monetary value. You can sell them and convert them into cash if you decide to. Assets include things such as your savings, car, house, household appliances, money lent to friends, etc. Although it would take time, it is possible to quantify the total. You will probably also have some debt, such as mortgage payments and bank loans. Suppose that the amount of your debt equals €10000. The value of all your assets is €100000. In this case, your personal equity is the difference of €90000. The balance sheet is always "balanced"; everything that you have (assets) is either financed by debt (i.e. credit) or belongs to you (equity). The same logic applies to a company's balance sheet. Everything that the business owns (assets) was funded by the owners (initial investment and retained earnings) or the creditors. The parts of the balance sheet always move in tandem.



**Driving Question(s)**

1. What will happen if a business borrow money from a bank?
2. What will happen if the same organization pays back part of its debt in cash?
3. After a successful year, management decides to keep the profit within the company instead of paying dividends. What will happen in such case with both sides of the balance sheet?
4. What happens if the opposite occurs and the company suffers a loss?



**Objectives**

*Please describe and list the objectives here*

* *Create a personal balance sheet*
* *Analyze the balance sheet using ratio analysis*



**Tasks**

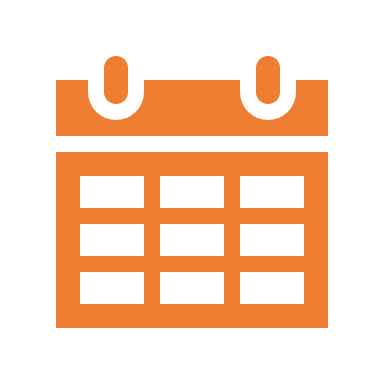
*What task(s) / requirements should the students complete?*

* *Create a list of your assets and liabilities*
* *Calculate owner’s equity*
* *Calculate some financial ratios*



**Notes**

*You may use this space for keeping notes*



**Project Plan**

*Please complete the table of your personal balance sheet*