*Sent as a WORD document so you can enter answers on the form*

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1. **READ AND COMPLETE 6.31a EXERCISE –**

This exercise will have you PREPARE Maria's IRS

SCHEDULE C – Profit or Loss from Business through line 29

To do the exercise, you need the IRS form Schedule C download from:

<https://money101education.com/handouts-foundation-segment/> or

<https://money101education.com/handouts-taxation-segment/>

Or from the IRS website. Google “IRS Schedule C," which should lead you to this link: https://www.irs.gov/pub/irs-pdf/f1040sc.pdf.

2. **EXTRA CREDIT HOME OFFICE DEDUCTION**

* READ HANDOUT 6.32 – Understanding Schedule 8829 Business Use of Your Home
* DO EXERCISE 6.33 - Calculate Maria’s home office deduction using form 8829
* Enter on Maria’s Schedule C Line 30 her home office deduction
* Enter on Maria’s Schedule C Line 31 her Business Net Profit or Loss

To do the exercise, you need IRS Schedule 8829 download from

<https://money101education.com/handouts-foundation-segment/> or

<https://money101education.com/handouts-taxation-segment/>

or from the IRS website. Google “IRS Schedule 8829,” which should lead you to this link: <https://www.irs.gov/pub/irs-pdf/f8829.pdf>

1. After completing form 8829 - answer the following four questions:

|  |  |
| --- | --- |
| QUESTION | ANSWER |
| If Maria used the simplified method, how much could she deduct? |  |
| Are Maria’s rent, utilities, phone cable, and internet considered “Direct” or “Indirect” expenses? |  |
| How much can she deduct if she calculates her home office deduction using form 8829 |  |
| Is Maria better off using the “simplified” method or Form 8829 for the home office deduction? |  |

RETURN to THE INSTRUCTOR this page with your answers and

Maria’s Schedule C (and Maria’s Schedule 8829 if you did the extra credit)

**NEXT** - **To be prepared for class #3**

1. READ HANDOUT. 3.00 – How to Prepare a Cash Flow Statement
2. PRINT 3.01 – Cash Flow Statement Long Form
3. PRINT 3.11a EXERCISE: Calculate Maria’s Cash Flow Statement.

A printed version of 3.11a is a necessity to participate in class #3.

1. THINK ABOUT this lovely quote a student gave me a while back from https://jamesclear.com/focus

Unfortunately, we often avoid measuring because we fear what the numbers will tell us

about ourselves. The trick is to realize that measuring is not a judgment about who you are;

it's just feedback on where you are.

Measure to discover, to find out, to understand. Measure to get to know yourself better.

Measure to see if you're spending time on the things that are important to you. Measure

because it will help you focus on the things that matter and ignore those that don't.

Do you avoid measuring for fear that you are not in the “right place”?

Think about changing that negative thought process and measuring our starting point without

judgment.

This concept will apply to classes #3 and #4.