You are forming a business with a couple of construction friends who want to build custom homes. They are good at

construction, but do not know anything about accounting. Using the example of the construction in the PBS tv show

“This Old House”:

Explain for your new business associates how you would do the accounting for this type of business.

Using proper terminology and accounting concepts, give a general explanation of the different types of costs

involved and make up some sample transactions to record what you see on the tv show. You can assume the costs

amounts and identify anything else you are assuming in order to record the transaction.

What other transactions and costs need to be recorded that you do not directly see on the tv show