

# **EVENT-WALA'S JOURNEY: A CASE STUDY ON THE IMPORTANCE OF ACCOUNTING AND FINANCIAL MANAGEMENT IN ENTREPRENEURSHIP**

## **INTRODUCTION**

In the dynamic realm of entrepreneurship, a comprehensive grasp of accounting practices and financial management is paramount to achieving success. This case study delves into the entrepreneurial journey of Veer, an MBA graduate, and his sister Naina, as they embark on their event management venture, "Event-Wala." Through the lens of their initial two events, the study underscores the vital role of meticulous accounting, strategic financial planning, and prudent inventory management in cultivating a prosperous business. By examining Veer and Naina's experiences, readers will garner invaluable insights into the intricacies of the accounting equation, its practical applications in real-world situations, and the essential factors to consider when pursuing business expansion.

## **THE CASE**

### **Day 1: Launching Event-Wala**

Veer, a recent MBA graduate, decided to start an event management venture named "Event-Wala." He invited his sister Naina to join him, offering her 20% of the total profit. To promote their business, they used social media platforms like Facebook, Instagram, and WhatsApp.

Their first client was Manjeet, a friend whose son's first birthday was in 20 days. They met with Manjeet and his wife, Simmy, to discuss the party's theme, budget, and other details. They agreed on a decoration package for Rs. 8,650, which Simmy later negotiated to Rs. 8,000.

### **Day 2: Purchasing Materials for Event 1**

Veer and Naina purchased materials for the party at a local wholesale market. They spent Rs. 5,500 and agreed to pay the remaining Rs. 5,000 later.

### **Day 3: Event 1 - Agampreet's Birthday Party**

After successfully decorating the venue, Simmy paid them Rs. 6,000, promising to pay the remaining Rs. 2,000 later.

#### **Day 4: Assessing Finances and Inventory**

Veer and Naina realized that they needed to record their transactions accurately and account for pending payments, remaining inventory, and other expenses before calculating their profits. They also decided to use their earnings to celebrate their first successful event by ordering pizza for Rs. 930.

#### **Day 5: Securing Event 2 - Jivesh's Promotion Party**

Impressed by their work at Agampreet's birthday party, Jivesh contacted Veer and Naina to decorate his promotion party. They met at a local café, where they discussed decoration options and agreed on a price of Rs. 25,000, with a 50% advance payment.

#### **Day 6: Purchasing Materials for Event 2**

Veer and Naina purchased materials for Jivesh's party, spending Rs. 5,500. They also arranged for a cake and paid a deposit to a baker and a florist.

#### **Day 7: Event 2 - Jivesh's Promotion Party**

Veer and Naina successfully decorated the venue for Jivesh's party, receiving the remaining payment after the event.

### **CONCLUSION**

Throughout the examination of the Event-Wala case study, it becomes unequivocally clear that accounting and financial management are indispensable components of business success. The entrepreneurial journey of Veer and Naina underscores the significance of meticulous transaction recording, comprehensive understanding of the accounting equation, and efficacious financial planning. By implementing these measures, the siblings were equipped to make judicious decisions, proficiently manage their resources and obligations, and devise strategies for future expansion. Accounting and financial management serve as the bedrock of successful businesses, empowering entrepreneurs to monitor and scrutinize their financial performance, make well-informed, data-driven decisions, and maintain a firm grasp on their operations. Furthermore, a robust comprehension of these principles enables business owners to adhere to regulatory requirements, circumvent potential financial hazards, and discern opportunities for growth and enhancement. In conclusion, the Event-Wala case study illustrates that a solid grounding in accounting and financial

management is vital for any ambitious entrepreneur aspiring to establish and cultivate a thriving business.

### **DISCUSSION QUESTIONS**

1. Did Veer make profits from Agampreet's birthday contract? Explain why the change in cash balance differed from the profits.
2. How do the financial decisions made by Veer and Naina during their first two events reveal their understanding of cash flow management? What lessons can be learned from their experience to ensure a healthy cash flow in future events?
3. What role does effective inventory management play in the overall success of an event management business like Event-Wala? Discuss how Veer and Naina could optimize their inventory management to minimize costs and maximize profits.
4. Considering the importance of financial management and accounting in a business, how can Veer and Naina leverage technology and automation to streamline their processes and enhance their decision-making abilities?