

Quiz No. 5 – Balance Sheet

Assets	
Current Assets:	\$'000
Cash and Equivalents	\$ 2,738
Accounts Receivable	1,175
Inventory	1,034
Total Current Assets	4,947
Real Estate (purchase price)	31,677
Equipment (depreciated value)	13,448
Goodwill (depreciated value)	3,167
Total Assets	53,229
Liabilities	
Current Liabilities:	
Accounts Payable	1,488
Short-term Debt	123
Total Current Liabilities	1,611
Long-term Debt	245
Other Liabilities	122
Total Liabilities	1,978
Total Shareholders' Equity	51,251

For the following questions, please refer to the Balance Sheet above.

1. There are three forms of current assets listed. What are they?

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2. What Fixed Assets are listed?

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3. What Intangible Asset is listed?

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4. What does the term 'inventory' mean?

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5. What figure in the balance sheet corresponds to "Net Assets"

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6. Explain the difference between Accounts Receivable and Accounts Payable

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7. Explain the difference between Total Current Liabilities and Total Liabilities

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8. Which of the following would be the MOST important information to present in a financial report to the monthly management committee meeting: (Note: They are all important, but which is most important)

- (a) Cash at Bank and Current Liabilities
- (b) Total Assets and Total Liabilities
- (c) Net Profit and Net Assets
- (d) Total Debtors and Total Liabilities

9. Explain the reason for your selection above

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