**CALCULATING AND INTERPRETING ACCRUALS**

Please refer to the accompanying 2018 financial statements for iRobot.

A.) Calculate iRobot’s total accruals for each year between 2016 and 2018 and then split into working capital and non-working capital components.

B.) Choosing accounts receivable, inventory, or accounts payable, briefly describe the intuition behind the 2018 line item amount on the cash flow statement. (Using 2018 depreciation and amortization as an example, 36,574 is a non-cash expense, and the positive adjustment on the cash flow statement reflects the fact that the expense needs to be added back to net income to get to net cash provided by operating activities.)

C.) Discuss any potential accrual signals of poor earnings quality at iRobot.