

Financial Management For Engineers

EMGT 6305

SPRING 2022

Lingxuan Ye

HW 3

Section 2

**Q1.**

**Q2.**

|  |  |
| --- | --- |
| **Assets** | **Liabilities and Stockholder’s Equity** |
| Cash $ 4866666.67 | Current Debt $ 3720000.00 |
| Accounts Receivable $ 1583333.33 | Long-Term Debt $ 1530000.00 |
| Inventory $ 2850000.00 | Total Debt $ 5250000.00 |
| Total Current Assets $ 9300000.00 | Equity $ 9750000.00 |
| Fixed Assets $ 5700000.00 | Total Debt & Stockholder’s Equity $ 15000000.00 |
| Total Assets $ 15000000.00 |

**Q3.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Transaction** | **Total Current Assets** | **Curent Ratio** | **Effect on Net Income** | **Impact on Cash Flow** |
| 7 | A cash dividend is declared and paid | - | - | 0 | Financing |
| 8 | Short term notes receivable are sold at a discount | - | - | - | Operation |
| 9 | Marketable security is sold below cost | - | - | - | Operation |
| 10 | Current operationg expenses are paid | - | + | - | Operation |
| 11 | Short term promissory notes are issued to trade creditors in exchange for pastdue accounts payable | 0 | 0 | 0 | Operation |
| 12 | 10-year notes are issued to pay off accounts payable | 0 | + | 0 | Financing |
| 13 | A fully depreciated assets is retired | 0 | 0 | 0 | Investing |
| 14 | Accounts receivable are collected | 0 | 0 | + | Operation |
| 15 | Equipment is purchased with short term notes | - | - | 0 | Investment |
| 16 | Merchandise is purchased on credit | + | - | 0 | Operation |