

ACC1701X
SEMESTER 1 2022 / 2023

POST LECTURE SUPPLEMENT

LECTURE 02

In-class PolIEV Activities: Name that Company

- 1) In 2021, I have almost US\$3.9 billion in inventory. This is 17.5% of my total assets.
- a. Salesforce
 - b. **Ikea**
 - c. Google
 - d. Grab

Ikea is a retail company with a primary focus in selling inventory. It holds large inventory across its 458 stores.

- 2) In 2021, I have about US\$299 billion in receivables. This is 59% of my total assets of US\$501 billion.
- a. **DBS**
 - b. Singapore Airlines
 - c. Boeing
 - d. Google

Banks make money by loaning money and collecting interest. DBS's largest asset is its Loans Receivable (Loans to Customers).

- 3) In 2021, I have about US\$217 billion in in PPE (Property, Plant & Equipment). This is about 64% of my total assets of US\$339 billion.
- a. **ExxonMobil**
 - b. Google
 - c. Salesforce
 - d. Grab

Exxon has intensive capital assets: refineries, oil platforms, ships...

- 4) One of my important current liabilities relates to services for which people have ALREADY PAID me but I have NOT YET delivered. In 2021, that amount of liability is about US\$1.1 billion, which is about 26% of my current liabilities.
- a. **Singapore Airlines**
 - b. McDonalds
 - c. Ikea
 - d. American Express

Airlines typically pre-sell tickets, so they get paid first and deliver (you to your destination) later.

In-class PolIEV Activities: Debit Credit Speed Challenge

- 1) Does cash increase on the credit or debit side? **DEBIT**
- 2) Does office equipment increase on the credit or debit side? **DEBIT**
- 3) Debit is on the **LEFT**
- 4) Which of the following accounts has a normal credit balance?
 - a) Land
 - b) **Notes Payable**
 - c) Accounts Receivable
- 5) Credit is on the **RIGHT**
- 6) Go-go-Green company purchased an office building with a bank loan. What account will be debited?
 - a) **ASSET**
 - b) Liability
- 7) Go-go-Green pays off part of its existing bank loan with cash. Would you debit or credit the cash account? **CREDIT**
- 8) Go-go-Green's owner injected additional money into the business as equity. Would you debit or credit Capital account? **CREDIT**
- 9) Buying inventory on credit will affect which accounts?
 - a) **Asset and Liability**
 - b) Asset only
 - c) None of the above
- 10) An increase to a revenue account is a **CREDIT**