

## TICKET TO FLY!

### Lesson 1-1: Net Worth Statements

If a bank requires a 2:1 ratio of assets to liabilities to be approved for a loan, what is the minimum amount John needs to have in assets if he has \$950 in liabilities?

What would his net worth be?

JUSTIFY your answers!

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### Lesson 1-2: Accounting Equation & How Changes Affect Accounts

Write the account equation:

Background info for next 2 questions:

Austin has \$250 of cash in his wallet. He owes his parents \$25.

May 15: Austin went to The Cup to buy a coffee. He paid in cash \$5.  
What is the balance in his Cash account now?

May 16: The next day, Austin went to The Cup again, but forgot his wallet. He was allowed to write his name down & pay the next day \$5.  
What is his Accounts Payable balance now?

JUSTIFY your answers!

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### Lesson 1-3: How Changes Affect Owner's Equity

Complete Allie's accounting equation:

\$2500 = \$950 +   
(Assets = Liabilities + Owner's Equity)

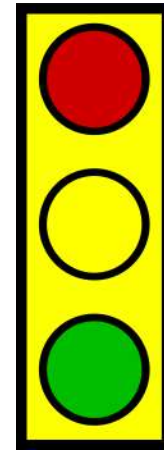
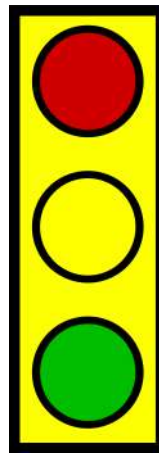
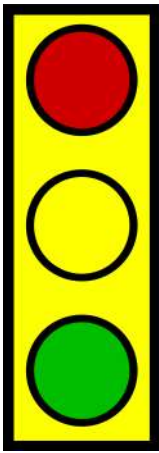
Background info:

Allie has paid \$400 for her business phone bill for the last year.

July 5: Allie paid her business cell phone bill (\$50) with cash.  
Which two accounting equation categories will be affected by this transaction, and what will their **ENDING BALANCE** be?

What is her Communication Expense account balance now?

JUSTIFY your answers!



*Rank your understanding:*

*(circle one—list what you're stumped on)*

*STOP! I don't get this!*

*I get some of it!*

*I could show a classmate how I could show a classmate how I could show a classmate how to do this!*

*Rank your understanding:*

*(circle one—list what you're stumped on)*

*STOP! I don't get this!*

*I get some of it!*

*to do this!*

*Rank your understanding:*

*(circle one—list what you're stumped on)*

*STOP! I don't get this!*

*I get some of it!*

*to do this!*