

# Think Break #9 Answer

Assets		Liabilities	
Current Assets	\$400,000	Current Liabilities	\$150,000
Non-Current Assets	\$600,000	Non-Current Liabilities	\$350,000
		Owner Equity	\$500,000
Total Assets	\$1,000,000	Total Liability & Equity	\$1,000,000

- Current Assets + non-Current Assets = Total Assets
- \$400,000 + non-Current Assets = \$1,000,000: \$600,000
- Liabilities + Equity = Total Liability & Equity
- \$150,000 + \$350,000 + Equity = \$1,000,000: \$500,000

# Think Break #9 Answer

Assets		Liabilities	
Current Assets	\$360,000	Current Liabilities	\$150,000
Non-Current Assets	\$700,000	Non-Current Liabilities	\$410,000
		Owner Equity	\$500,000
Total Assets	\$1,060,000	Total Liability & Equity	\$1,060,000

- \$40,000 spent is decrease of current assets
- \$100,000 land purchase is increase in non-current assets
- \$60,000 loan is a non-current liability (actually would be mix of current and non-current liabilities)
- Notice: Farm assets increase in value by \$60,000 (influx of borrowed money), but your equity does not change