

# CLASSIFYING ASSETS AND LIABILITIES

The following list has some of the Assets and Liabilities that may be difficult to classify on a balance sheet. If people are inconsistent in classifying these items, it will be difficult to analyze trends and compare financial ratios between different farms. See how these farms/ranches are performing in relation to each other and make various comparisons.

Fill out this sheet and decide how they should be classified.

- 1. Decide if the item is an asset or a liability. THEN
- 2. Decide if it is a current asset/liability or a non-current asset/liability

\*\* Hint: Remember the definition of an asset and a liability. Remember the time factor portion of current and non-current asset and liability definitions. This should help in determining each item below. Reread the portions of Assets and Liabilities if you are still unclear.

Legend: Asset – (A) or Liability – (L) | Current – (C) or Non-current – (NC)

## FM | Classifying Assets & Liabilities Exam

Name \*

First

Last

Address \*

City

State

Date \*

Cash Value of Life Insurance \*

A  L  C  NC

Government Program Payments Receivable \*

A  L  C  NC

Retirement Accounts \*

A  L  C  NC

Credit Card Payments \*

A  L  C  NC

Personal Savings Account \*

A  L  C  NC

Equipment Payments \*

A  L  C  NC

Breeding Livestock \*

A  L  C  NC

Growing Crops \*

A  L  C  NC

Accrued Annual Interest Expense \*

A  L  C  NC

Operating Leases \*

A  L  C  NC

Current Portion of Term Debt \*

A  L  C  NC

Capital Leases \*

A  L  C  NC

Operating Loans \*

A  L  C  NC