

Balance sheet part 1: ASSETS

TASK 1. Complete the ASSETS table for a UK company Paradigm Manufacturing with relevant figures, using the information provided below. Then do the calculations and write the figures for TOTAL CURRENT ASSETS, TOTAL FIXED ASSETS, TOTAL INTANGIBLE ASSETS and TOTAL ASSETS.

N.B. Write commas in the figures, e.g. 7,000! Don't write £ in front of the figures!

- Paradigm has goodwill, in the form of hundred satisfied customers, worth and estimated £15,000. This is its only intangible asset.
- It has investments of £6,000 in other companies.
- It has raw materials, work-in-progress and products ready for sale together worth £3,500.
- It owns equipment and machinery with a net book value of £9,000.
- It owns land with a net book value of £31,000.
- It has £11,000 in its accounts at the bank.
- It owns offices and factories with a net book value of £94,000.
- Various people and organizations, including customers, owe £7,500.

 Paradigm Manufacturing Balance sheet at 31 March 20__	
ASSETS	
Cash	
Securities	
Stocks	
Debtors	
TOTAL CURRENT ASSETS	
Buildings	
Land	
Equipment and machinery	
TOTAL FIXED ASSETS (net book value)	
Goodwill	
TOTAL INTANGIBLE ASSETS	
TOTAL ASSETS	

TASK 2. Using the information in the table above, decide if these statements about Paradigm's assets are TRUE or FALSE.

1. TRUE FALSE The figure for equipment and machinery is the historical cost written down by an amount for depreciation.
2. TRUE FALSE The figure for equipment and machinery shows that it has been written off completely.
3. TRUE FALSE The figure for land and buildings is the exact amount they could definitely be sold for.
4. TRUE FALSE The figure for goodwill is an objective value of the customer base that a buyer of the company would definitely agree to pay.