

## Match the situational example to the financial term

Read each situation and match to the most appropriate financial term. Some examples are related to several terms, but read closely and select the most complete answer. Each situation only has one correctly-related term.

Situational Example (Match the letter to the correct term)		Example Match	Financial Terms
a.	An example for breeding animals is usually 5 to 10 years, equipment 10 years and buildings usually have a life use of 20 years.		Depreciation Expense
b.	Items for a show animal project such as the animal, feed or supplies, capital items and cash-on-hand prior to the <u>first</u> agricultural education class.		Non-Current Inventory (Capital Items)
c.	An example is a laptop costing \$800, salvage \$650 and useful life of 10 yrs. = \$15 annual depreciation cost: $(\$800 - \$650) / 10 = \$15$ cost per year		Capital Item Useful Life
d.	An asset that includes breeding animals, show tack, lawn mowers, barns, land, trailers and other high-value items.		AET Market Adjustment
e.	An example is a laptop in one year is 50% for breeding beef and 50% for a research project.		Capital Item Usage
f.	Student has a poinsettia project and purchases \$400 in plants, \$100 in pots and soil, which gives the student a current inventory of \$500, or best described as invested value.		Current Inventory
g.	An example is a laptop cost value of \$800, but is estimated to be valued at \$650 at the end of use.		Beginning Inventory
h.	An example is on December 31, a breeding operation with offspring still on females has an AET cost value of \$500, but the market value is more accurate at \$1500.		Capital Item Salvage Value
i.	Examples are inventory purchased for resale, feed, supplies, rent and other cost needed for the project.		Cash Income
j.	An example is selling a show animal, collecting rent from an equipment lease or collecting cash to fund a research project.		Cash Expense
k.	Examples are showing the usage or selling items such as tractors, show box, stall equipment and other related items that are used to support several projects across several years.		Capital Item Manager (Non-current inventory)
l.	An example is a student selling from his/her hay production project to one of their show animal projects, selling products at home, or other non-cash expenses.		SAE Labor Exchange (Non-cash)
m.	An example is a student working in a family day care center for the expenses to support a production rabbit project.		Non-Cash Transactions
n.	An example is working for a dairy business in exchange for feed of a dairy project.		Non-SAE Labor Exchange (Non-cash)

o.	<i>An example is raising show pigs from a sow operation (income) and transferring new prospects into a new show pig project (expense) for the current year.</i>		Gift (Non-cash)
p.	<i>A student receiving a free set of flowers to arrange and sell as a floriculture project.</i>		Non-cash Transfer
q.	<i>An example is a student with a poultry project that sells their remaining chickens to family, but collects no cash or exchange for the sale.</i>		Transfer to a Capital Item (Non-cash)
r.	<i>An example is have a project for a show breeding goat, that is not sold but rather retained as a breeding female in a student's breeding goat SAE. This is value at usually a normal market price.</i>		Used at Home (Non-cash)

### B. Depreciation Problem Case Study:

An agriculture education student purchases show equipment (brushes, buckets, show halter and other show tack) for \$400. The student estimates the ending value for their use of the equipment at \$200, which is the salvage value. The student selects a useful life of 10 years for the items.

In the space below, complete and answer the following:

- a. What is the cost value of the "Show Equipment"? \$ \_\_\_\_\_
- b. What is the salvage value of the "Show Equipment"? \$ \_\_\_\_\_
- c. What is the useful life of the "Show Equipment"? \_\_\_\_ Years
- d. What is the annual depreciation expense related to show equipment? \$ \_\_\_\_\_
- e. What type of asset category does "Show Equipment" reside (choose one)?  
 \_\_\_\_ Current Inventory    \_\_\_\_ Non-Current (Capital) Inventory