SESSION 13
CURRENT LIABILITIES AND CONTINGENCIES AND AN INTRODUCTION TO LONG-TERM DEBT

Objectives
1. Understand the nature and reporting requirement of short-term liabilities
2. Illustrate the trade-off between reliability and relevance of accounting numbers in the accounting for contingencies
3. Understand the time value of money and the mechanics of present value calculations

Reading Assignment
Pratt: Chapter 10
Intel: pp. 27
CP: Accounting for Frequent Flyers

Class Preparation Questions
See class server for "Accounting for Frequent Fliers" questions.
For current liabilities:
   What kind of current liabilities does Intel have? What types of contingencies does it disclose? How much did Intel accrue to cover contingencies?

Optional Problems
E10-10, P10-2, P10-5, ID10-1, ID10-3