Session 12, Tuesday 4 November
Class Preparation Questions

The case preparation questions for “Accounting for Frequent Fliers” can be found on page 3 of the case. All questions should be prepped with the following modifications:

Part 1
(a) Do not worry about calculating the exact cost differences between the methods, just get a basic idea of the magnitudes involved.
(b) Decide on a method, but you do not need to perform any calculations.
(c) No modifications.

Part 2
(a)-(c) No modifications
(d) No calculations necessary. However, you should identify the appropriate accounts that would be affected and the signs (e.g. + Cash = +Retained Earnings)
(e) No modifications

For current liabilities:
1. What kind of current liabilities does Intel have? What types of contingencies does it disclose? How much did Intel accrue to cover contingencies?