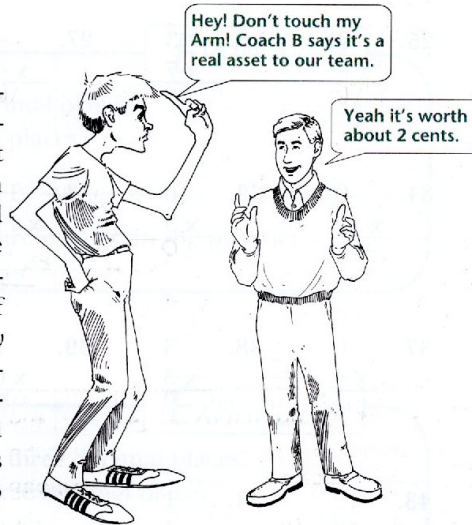




Assets

Suppose you want to start a business—perhaps a lawn-mowing business. There are several things that you will need to purchase: a lawn mower, a gas can, a grass edger, and a rake. Of course, you need some cash to make change for your customers. All of these items are considered the assets of your business. **An asset is money or property that has any worth to your business.** When customers owe your business money, the amount is recorded as **accounts receivable**, which is also an asset. Sometimes you might own several assets, each possessing the same worth, such as three new rakes worth \$6 each. The quickest way to determine the value of this asset is to use multiplication.



Multiplication is the arithmetic process of adding one number (the **multiplicand**) to itself as many times as there are units in another number. The multiplicand is multiplied by the **multiplier**. Your answer is the **product**. Both the multiplicand and the multiplier can be referred to as a **factor**.

$$\begin{array}{r} \$6 + \$6 + \$6 = \$18 \\ \times 3 \\ \hline \$18 \end{array}$$

factor (multiplicand)
factor (multiplier)
product

In order to multiply quickly, multiplication facts must be memorized just as addition facts.



To find the total of your assets, simply find the sum of all of your assets.

EXAMPLE 5

Roberto has a lawn-mowing business with the following assets: one lawn mower worth \$199, two gas cans worth \$5 each, one grass edger worth \$49, three rakes worth \$6 each, and \$20 cash. What are his total assets?

- First find the total worth of the gas cans and then the rakes.
- To find the total assets, add all of the assets together.

2 gas cans x \$5 each =	\$10
3 rakes x \$6 each =	\$18
1 lawn mower	\$199
2 gas cans	10
1 grass edger	49
3 rakes	18
cash	20
Total assets	\$296

Homework

Find the total assets of each business.

1. Natasha's Poodle Grooming

Assets

grooming supplies inventory	\$	112
building and land		72,800
bathing equipment		759
kennels		1,188

2. Thompson's Pool Supply

Assets

merchandise	\$	20,865
chemical inventory		2,644
office furniture		150
cash		1,100

3. Jon's Sporting Goods

Assets

sports equipment inventory	\$12,386.19
clothing inventory	8,900.83
office furniture	82.92
building and land	90,535.26

4. Swartz Garden Center

Assets

99 large-sized trees	@ \$72	each
64 medium-sized trees	@ \$43	each
250 small-sized trees	@ \$25	each
1 dolly	@ \$15	each

5. Joel's Telephone Systems

Assets

5 computerized telephone systems	@ \$5,250.00	each
58 desk telephones	@ \$25.00	each
43 wall telephones	@ \$19.00	each
108 yd. telephone line cord	@ \$.55	per yard

6. Lorenzo's Barber Shop

Assets

4 barber chairs	@ \$485.33	each
12 barber shears	@ \$2.19	each
4 mirrors	@ \$30.78	each
8 razors	@ \$6.51	each
1 waiting room bench	@ \$369.99	each

Solve the word problems.

7. When Dr. Gina Root opened her own medical office, she had to buy lab equipment for \$13,618, waiting room furniture for \$4,116, filing cabinets for \$854, desks and chairs for \$5,625, and an office building for \$262,000. What were her total assets?
8. The senior class at Calvary Christian High wanted to sell snow cones every Friday. They purchased 3 snow cone machines for \$56.38 per machine, a table to put the machines on for \$78.69, and a little metal cash box for \$21.88. If they started with \$10.75 in their cash box, what were their total assets?
9. Estella Davies owns an antique china shop. She has a beautiful set of antique china that contains 18 plates valued at \$185 per plate, 18 cups at \$79 per cup, 18 saucers at \$84 per saucer, and 18 soup bowls at \$163 per bowl. What are her total assets in this one set of china?
10. When Dominique Ortiz opened up his new travel agency, he purchased five desks at \$699.99 each, fifteen chairs at \$78.96 each, six computers at \$2,580.19 each, and a brochure rack for \$110.48. What were his total assets? (Hint: The best way to find the value of $\$699.99 \times 5$ is to multiply $\$700 \times 5$ and subtract .05.)
11. A political party women's club held several fund-raising activities. They earned \$683.18 at their rummage sale, \$819.28 at their craft boutique, and \$1,379.50 at their fund-raising banquet. What were their total cash assets?
12. Jodi Lunt sells sixteen different name-brand tennis shoes for all types of sports. Seven of the brand names are valued at \$85 a pair; five brand names are valued at \$119 a pair; and four brand names are valued at \$137 a pair. If she has 25 pairs of each brand in stock, what are her total assets in tennis shoes?