

## CONCEPT: TYPES OF RECEIVABLES

- **Receivables** are \_\_\_\_\_ that represent money owed to the company

☐ **Accounts Receivable** – amounts owed to the company from \_\_\_\_\_

On April 1, the company sells \$12,000 worth of goods on account to a customer.

Journal Entry:

<u>Assets</u>	=	<u>Liabilities</u>	+	<u>Equity</u>
---------------	---	--------------------	---	---------------

☐ **Notes Receivable** – amounts owed to the company, generally from customers, but with \_\_\_\_\_

- A *Note Receivable* is a formal written \_\_\_\_\_ with stated terms

On April 1, the company sells \$12,000 worth of goods to a customer. On April 30, the customer calls to let the company know that she will not be able to pay on time. She offers a 90-day, 6% note in the same amount. Principal and interest are due upon maturity of the note.

Journal Entry:

<u>Assets</u>	=	<u>Liabilities</u>	+	<u>Equity</u>
---------------	---	--------------------	---	---------------

☐ **Interest Receivable** – interest that has been \_\_\_\_\_, but not \_\_\_\_\_ yet

☐ **Dividend Receivable** – dividend that has been \_\_\_\_\_, but not \_\_\_\_\_ yet

- **Trade Receivables** are receivables that arise through the normal course of business

☐ Generally, trade receivables include \_\_\_\_\_ and some \_\_\_\_\_ from customers

- **Non-trade Receivables** are receivables that do not arise through the normal course of business

☐ **Cash Advances to Employees** – short-term loan to an employee

☐ Loans to other companies