

## CONCEPT: TYPES OF LIABILITIES

- **Current Liabilities** are payable within \_\_\_\_\_

- ☐ **Accounts Payable** – amounts owed to \_\_\_\_\_ of services or merchandise
  - Accounts payable occur when the company purchases something on credit (day-to-day operations)
- ☐ **Accrued Expenses** – liabilities that arise from \_\_\_\_\_ for benefits received
  - The expense has occurred before the cash has been paid
  - The most common accrued expenses are: Salaries/Wages Payable, Interest Payable, and Taxes Payable
- ☐ **Unearned Revenues** – liabilities to deliver goods or services to customers who have paid \_\_\_\_\_
  - Unearned Revenues are also called *Deferred Revenues* and *Customer Deposits*
- ☐ **Payroll Liabilities** – includes several types of liabilities related to paying employees
  - Along with Salaries and Wages paid to employees, the employer also is liable for employment taxes
- ☐ **Current Maturities of Long Term Debt** – upcoming \_\_\_\_\_ payments of a long-term liability

- **Long-term Liabilities** are payable in more than \_\_\_\_\_.

- ☐ **Notes Payable** – a signed contract to repay a borrowed sum of money including \_\_\_\_\_
  - Notes Payable can be Current Liabilities or Long-Term Liabilities
  - Notes Payable are the exact opposite of Notes Receivable
- ☐ **Bonds Payable** – groups of debt that are issued to \_\_\_\_\_ lenders
  - Bonds are used to raise large sums of money that might be difficult to borrow from one source