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