

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?