

Lazy boy company essay sample



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Lazy boy is a company that makes home furniture which includes recliners, sofas, chairs, and sleeper sofas. This company employs more than 11, 000 people and has many outlets all over the United States as well as many other countries. Lazy boy has been a very successful business and continues to grow every year. Taking a look at lazy boy's annual report the company's assets are listed in the proper order. The current assets should be listed in the order that they are expected to be converted into cash. This order include, cash and cash equivalents, short-term investments, accounts and noted receivable, inventories, and any prepaid expenses etc. Cash equivalents are the most liquid assets found within the asset section of a company's balance sheet. These assets are usually converted into cash such money market holdings, bonds, and commercial paper. These cash equivalents are short-term lived and usually mature within 3 months. Lazy boy's current liability for the end of the 2012 reporting year is \$685, 739 which is an increase in the previous year's total of \$593, 455. All of this information is very important to potential creditors, investors, and employees in different ways.

Financial statements are used in order to satisfy some of their own needs of information such as, investors may need the information to help them determine whether they should hold, sell or buy. It is also used in the sense to help enable them to assess the ability of the enterprise to pay dividends. Employees use the information as a means of stability, also to look at potential retirement benefits as well as employee benefits as well. This information is also important to lenders because it gives them the information they need to determine whether their loans and interest that is

attached to them will be paid when it is due. Customers that are dependent on the enterprise want this information so look into the continuance of the enterprise. Financial statements meet most of the users common needs. However, financial statements do not provide all of the information needed to make all the needed decisions within an enterprise since these statements reflect the financial effects of past events and do not always provide the non-financial information.