



MGMT 210 Financial Accounting

BluJay Aviation, Episode 8

Scene

Brad's office at BluJay's Office.

Brad: You know, some of this accounting stuff is getting interesting. I've been reading a lot about depreciation.

Wren: Well, that's a good sign.

Brad: I think we can improve our bottom line by changing the life of the aircraft. When we bought it three years ago, we decided to give it a life of 15 years, but that's just an estimate.

Wren: We did some research and based on the fact that it was a used aircraft and based on how long we thought it would be useful to our company. In my opinion, it was a good estimate.

Brad: Yeah, but just by changing our minds and extending the life to 20 years, our profit will look better or we could even do 25 years. These planes are real workhorses and go on and on and on. Kind of like that bunny in the commercials.

Wren: I'm not sure messing around with the financial statements and just changing numbers is going to do us any good.

Brad: Come on, a little creative accounting never hurt anyone, right?

Wren: Let's run this one by the business consultants also. I'm starting to think doing the accounting is too much and we may need to get someone with more knowledge than I have. Maybe they could recommend someone.