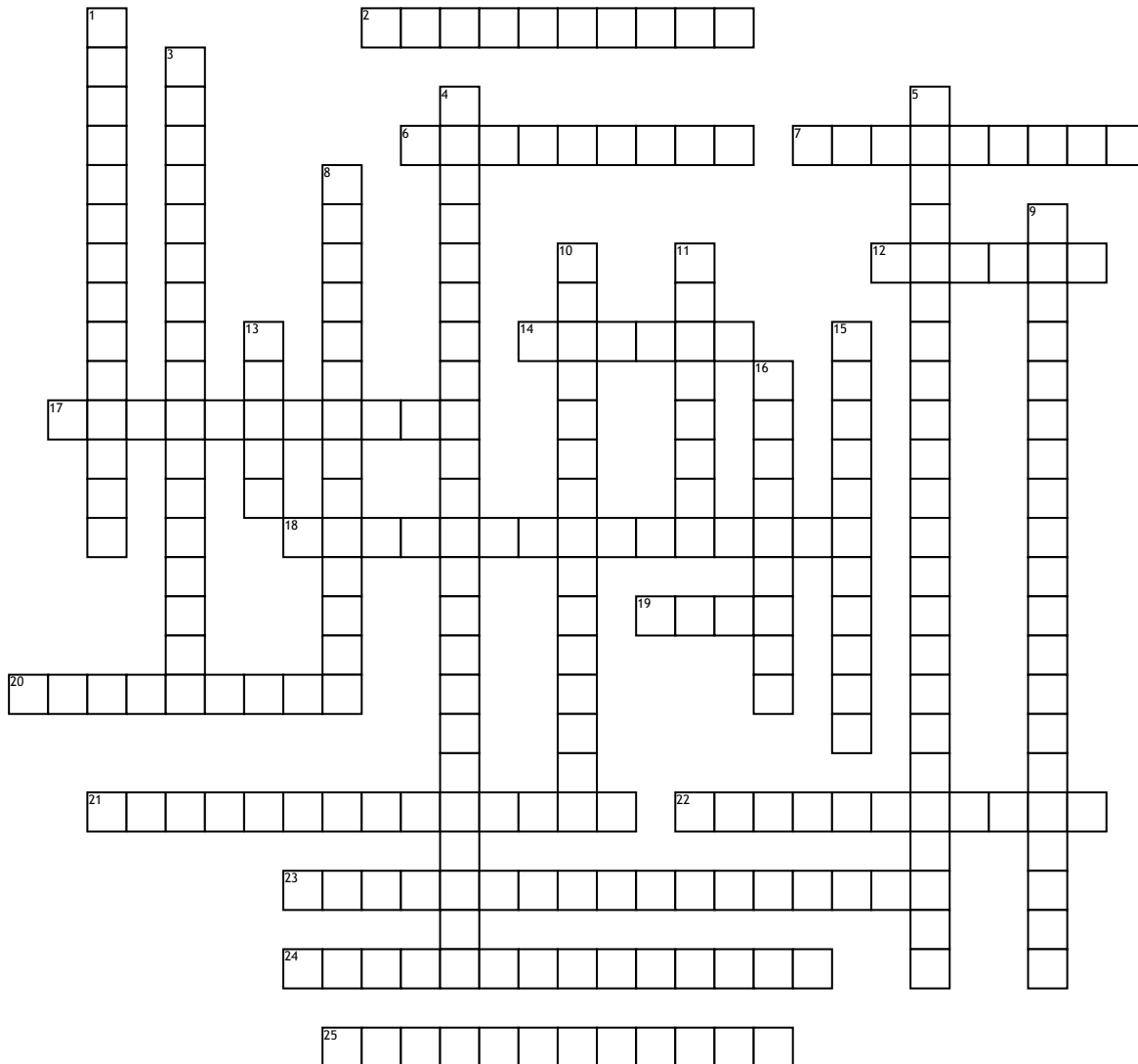


Chapter 12



Across

2. the amount a firm would pay if it bought an item
 6. refers to the company's short-term ability to generate cash for working capital needs and immediate debt repayment needs
 7. safety measures to protect banks against the borrower's financial deterioration
 12. conveys to another party
 14. the right to use that asset
 17. predicting future results
 18. the difference between the total minimum lease payments plus unguaranteed residual value and the fair value of the leased asset
 19. Calculating the Degree of Operating Leverage

20. safety measures to protect banks against the borrower's financial deterioration
 21. exists when the lessor is a manufacturer or dealer
 22. a bond that can be cashed in before maturity at the option of the bond's owner
 23. refers to the phenomenon whereby a small change in sales triggers a relatively large change in operating income
 24. used by the SEC to lease accounting
 25. a fee that is usually paid in installments

Down

1. represent the costs of using assets
 3. a measurement of risk
 4. exists when the lessor is a financial institution

5. the percentage of change in earnings before interest and taxes
 8. used by the SEC to lease accounting
 9. companies that consistently earn rates of return above the floor
 10. non capitalized leases
 11. mutually unperformed contracts
 13. a contract in which the owner of an asset
 15. the probability of an unexpected outcome
 16. is any collection of assets managed as a group