

Solving for NW and NI

Name: _____ Date: _____

Directions: Show all your work and when possible show a check.

Net Worth Accounting Equation: $NW = A - L$

Formula Key:

- NW = Net Worth
- A = Assets
- L = Liabilities

1. Ron has \$700 in assets and \$340 in liabilities. Calculate his net worth.
2. Malfoy has \$3,030 in assets and \$3,029 in liabilities. Calculate his net worth.
3. Harry has \$25 in cash, and he owns a magical broom (an asset) worth \$2,000. He owes his friend Ron \$300 and he owes his school \$1,000 for tuition from last semester. What is Harry's net worth?
4. Albus owns a castle worth \$345,000. He has a collection of wands worth \$55,000 and a magical hat worth \$2,000. This year, he has promised to give the Orphaned Wizard Association a generous donation of \$15,000. He also owes his friend Gandalf \$3,000 from an old debt. What is Albus's net worth?

Net Income Accounting Equation: $NI = I - E$

- NI = Net Income
- I = Gross income
- E = Expenses

5. Dobby has gross income of \$19 and expenses of \$4, what is his net income?

6. Severus earns \$2,500 as a professor. He earns an additional \$700 coaching sports. He spends \$660 on food, and \$250 in ingredients for potions. What is Severus's net income?

7. Hagrid earns \$35,000 a year as a grounds' keeper. He earns an additional \$5,000 training magical animals. His room and board is free as he lives on school grounds but he spends \$9,000 on food for himself and \$2,000 on food for his pets. What is Hagrid's net income?