[Title]

[Name of the Writer]

[Name of the Institution]

**Best Buy**

Balance Sheet, 1/31/2019

**Cash:**  1,980,000 (Thousands)

**Balance Sheet Time Period:** 1/31/2018 to 1/31/2019

They (The Best Buy) may pay/pay dividends to its shareholders but in the balance sheet of the financial year 2018-19, there is no figure shown which says that the company pays this amount of dividends (Yahoo Finance, 2019).

With the cash they have at hand, Best Buy should invest it in productive projects and business expansion. They have to invest it for the purpose of expanding their operations to new markets beyond the targeted markets as well as they should develop and launch new products through investing the cash they have at hand.

**Chapter # 16**

Page, 552 Paragraph, 1

*When a firm has trouble meeting its debt obligations we say the firm is in financial distress.*

The sentence is a significant one because it helps me to know and understand that a business or company is considered as a “firm in financial distress” when they fail or have trouble in meeting its debt obligations.

Page, 552 Paragraph, 2

*After the firm defaults, debt holders are given certain rights to the assets of the firm. In the extreme case, the debt holders take legal ownership of the firm’s assets through a process called a bankruptcy*

The above sentence is significant in the chapter because it elaborates the rights of different owners on the firm’s assets after they default. The sentence also clarifies that it is legal ownership of debt holder on the firm’s assets in case of bankruptcy which is through the process known as bankruptcy (Berk, & DeMarzo, 2017).

**Chapter # 17**

Page, 597 Paragraph, 1

*For many years, Microsoft Corporation chose to distribute cash to investors primarily by repurchasing its own stock.*

Being a business student, this is a significant sentence because it let me know about one of the largest companies in the world with the information that they were distributing cash to investors through the repurchase of their own stock.

Page, 608 Paragraph, 2

*Absent taxes and issuance costs, if a firm raises money by issuing shares and then gives that money back to shareholders as a dividend, shareholders are no better or worse off—they get back the money they put in.*

The sentence listed above is a significant one because it means that shareholders should not consider the company or business a profitable one if they are getting dividend in the way in which business creates cash by distributing shares and then pays that cash back to shareholders as a dividend which simply means that investors acquire back the cash they invest (Berk, & DeMarzo, 2017).

**References**

Berk, J. B., & DeMarzo, P. M. (2017). Corporate Finance: The Core, 4/e. Boston: Pearson Education. ISBN 9780134083278.

Yahoo Finance. (2019). Best Buy Co., Inc. (BBY) - Balance Sheet. Finance.yahoo.com. Retrieved 14 October 2019, from https://finance.yahoo.com/quote/BBY/balance-sheet/