Cash, debt and net debt

Name: _____ Class: _____ Date: _____

Big companies borrow money, and many also hold a lot of cash. In this lesson you will put the two side by side for four companies and find out what one number can hide.

What to do

1. Read the four company cards below with a partner.
2. Fill in Part C of your worksheet: debt − cash for each company.
3. Read each card's note and answer Part D.
4. The exit ticket is on page 2 of your worksheet.

Part A. Warm-up: Riley and Taylor (made-up numbers)

A1. Riley owes $6,000 and has $1,500. Net debt: $_____

A2. Taylor owes $2,000 and has $5,000. Net debt: $_____. What does the sign mean?

_____

Part B. Three words

Write each definition in your own words.

1. Debt

   _____

2. Cash

   _____

3. Net debt

   _____

4. B1. Which report in a 10-K or 10-Q shows debt and cash on one date? _____

   _____

Part C. Four companies

All amounts in US$ million, from the cards. Debt − cash = net debt; below zero, write it as net cash.

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Apple (Sep 26, 2026): Debt $80,111 million; Cash $136,935 million; Debt − cash _____; Net debt / Net cash

Alphabet (Sep 30, 2026): Debt $126,118 million; Cash $265,098 million; Debt − cash _____; Net debt / Net cash

AT&T (Sep 30, 2026): Debt $159,627 million; Cash $10,767 million; Debt − cash _____; Net debt / Net cash

Boeing (Sep 30, 2026): Debt $45,920 million; Cash $20,714 million; Debt − cash _____; Net debt / Net cash

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Part D. Read the notes

1. D1. Apple: what does the note say is not counted as debt?

   _____

2. D2. Alphabet: take the shares in other companies ($90.4 billion) out of its cash figure. Does its cash still exceed its debt? By how much?

   _____

   _____

3. D3. AT&T: net debt ÷ a year of operating cash flow ($40,235 million) = _____ years.

   _____

4. D4. Boeing: what does the note say about its shareholders' equity from 2021 to 2024?

   _____

   _____

Advanced (optional): Ford

Ford's total debt was $163,082 million on Sep 30, 2026. Ford Credit, which lends to car buyers and dealers, held $139,393 million of it.

1. Ford Credit's part of Ford's debt: _____%. In one sentence, what does that change about reading Ford's total?

   _____

   _____

   _____

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Exit ticket

1. In your own words, what is net debt?

2. A made-up company owes $500 million and holds $800 million of cash. Net debt or net cash? How much?

3. Name one thing that is usually not counted as debt.

4. Why does a balance-sheet number need a date?

Word bank

Debt	Money a company borrowed and must pay back, usually with interest.
Cash	Cash plus short-term investments a company can turn into cash quickly.
Net debt	Debt minus cash. Below zero, it is called net cash.
Balance sheet	A report of what a company owns and owes on one date.
Lease	A contract to rent something, such as a store or a plane, for years.

Sentence starters

- On ____ (date), ____ had $____ of debt and $____ of cash, so its net ____ was $____.
- The note says the number leaves out ____.
- ____'s net debt was about ____ years of the cash its operations brought in.

student page

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