

# ACCOUNTING

## in the headlines

**How are Adele's financial statements impacted when tickets to her North American tour sell out within a few minutes?**

Adele released her third album, *25*, in late 2015, quickly shattering several records. The album *25* was the first album to sell more than three million copies in a week and also racked up the most records sold in a week with 3.38 million records sold that first week. Her single Hello from *25* was the first track to be downloaded more than one million times in one week. *25* was also the best-selling album of 2015.

Soon after *25* was released, Adele's North American tour dates were announced. On December 17, 2015, tickets for the dates on this tour went on sale at 11 am EST and sold out within minutes for all of the 56 concert dates on the tour. A total of 750,000 tickets were available; reportedly over 10 million fans tried to buy tickets through Ticketmaster. (Tickets were also available through Adele's website.) Fans able to obtain tickets paid at the time of purchase.

On her North American tour, Adele will be performing two concerts at the Bridgestone Arena in Nashville, Tennessee, on October 15 and 16, 2016.

### Questions

1. How would Adele's financial statements have been impacted on the date of the sale of the concert tickets on December 17, 2015? What accounts would be affected? *Assume that Adele receives her share of the ticket proceeds on the date of ticket sale for this question.*
2. When will Adele recognize revenue from the two concerts at the Bridgestone Arena in Nashville, Tennessee? How would Adele's financial statements be impacted on the dates of these two concerts?