

When will Maroon 5 recognize revenue from its 2018 concerts at Madison Square Garden in New York City?

During 2018, the band Maroon 5 is touring across the U.S. on its “Red Pill Blues Tour 2018.” Two of those concerts, on October 14 and 15, will be held at Madison Square Garden in New York City. Madison Square Garden has a seating capacity for concerts of approximately 19,000. According to a Business Insider article in December 2016, Maroon 5 had an average concert ticket price of \$165.

Assume that these two Madison Square Garden concerts were sold out on the first day the tickets were available for sale to the public, November 4, 2017. Also assume, for the sake of simplicity, that all tickets are sold directly by Maroon 5.

Questions

1. How much gross concert revenue will Maroon receive for the two Madison Square Garden concerts?
2. How will Maroon 5's balance sheet and income statement be impacted by the sale of the Madison Square Garden tickets on November 4, 2017? What specific accounts will be impacted and in what direction (increased or decreased)?
3. How much revenue will Maroon 5 recognize from the Madison Square Garden October 2018 concerts in 2017? How much in 2018?
4. How will Maroon 5's balance sheet and income statement be impacted by the performance of two 2018 concerts at the Madison Square Garden tickets?