

ANSWERS

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1.	What 3 concepts make up the Owner's Net Worth? Capital, Drawings, Net Profit
2.	When the owner takes something from the business for his own use, what is it called? Drawings
3.	The amount the owner uses to start the business is called? Capital
4.	What is the word that describes money received? Receipt
5.	What is a payment? Money paid out by a business
6.	When the income of a business is more than its expenses, it is called a? Profit
7.	What is a loss? When the expenses of a business is more than its income
8.	An amount that has been paid or is still to be paid in a financial year is called an? Expenditure

ACTIVITY 2

Assets	Owners equity		Liabilities
<p>NON CURRENT ASSETS</p> <p>Fixed/Tangible assets Land & Buildings Vehicles Equipment</p> <p>Financial assets Fixed deposit</p> <p>CURRENT ASSETS Stock Debtors Bank (debit balance) Cash float Petty cash</p>	<p>1. Capital</p> <p>2. Drawings</p> <p>3. Profit</p> <hr/> <p>Expenses Interest paid Salaries Packing material Cost of sales Rent paid Stationery Advertising Wages Discount allowed Telephone Repairs Water and electricity Rates and taxes Consumables</p>	<p>Income Sales Rent received Interest received Current income Commission received Discount received</p>	<p>NON CURRENT LIABILITIES Mortgage bond Loan from bank</p> <p>CURRENT LIABILITIES Creditors Bank (overdraft)</p>

