Topic 1

Basic accounting principles

QUESTION 1 (CONCEPTS)

1.1. Vehicles.
1.2 Mortgage loan.
1.3 Stationery.
1.4 Creditors.
1.5 Rent income.
1.6 Trading stock.
1.7 Capital.
1.8 Drawings.
1.9 Income statement / statement of comprehensive income.
1.10 Balance sheet / statement of financial position.
1.11 Gross profit.
1.12 Income
1.13 Debtors
1.14 Cash float
1.15 Net profit
1.16 Expenses
1.17 Petty cash
1.18 Bank overdraft
1.19 General ledger
1.20 Current assets

QUESTION 2 (TERMINOLOGY)

	Column 1	Answer		Column 2
1.	Currents assets	H.	A.	Long-term loan must be paid over a period of 5 years.
2.	Income	F.	B.	Money provided by the owner to start the the business.
3.	Owner's equity	I.	C.	Assets with a useful life of more than a year.
4.	Fixed assets	C.	D.	Debt that must be paid back within a year.
5.	Expenses	G.	E.	Used to record a transaction in the accounting records of the business.
6.	Transaction	J.	F.	Money received for providing a service.
7.	Current liabilities	D.	G.	Paid to run a business.
8.	Capital	B.	H.	Assets increasing or decreasing within a year.
9.	Non-current liabilities	A.	I.	Total assets less total liabilities.
10.	Source documen	E.	J.	Exchange between two parties.

QUESTION 3 (TERMINOLOGY)

Use the information in the information pages to match the correct answer in Column 2 with the term in Column 1. You must only provide the correct letter of the alphabet in Column 2.

Column 1		Answer	Colomn 2	
1.	Own capital	J	A.	Capital provided by a financial institution.
2.	Transaction	G	B.	Trading stock taken by the owner for his own use.
3.	Owner's equity	M	C.	Decrease the profit.
4.	Balance sheet	N	D.	Assets increasing or decreasing within a year.
5.	Fixed assets	K	E.	Used to calculate the net profit of the business.
6.	Source document	L	F.	Money received for providing a service.
7.	Current liabilities	I	G.	Exchange between two parties.
8.	Current assets	D	H.	Debt that must be paid over a period of more than one year.
9.	Income	F	I	Debt that must be paid back within a year.
10.	Drawings	B	J	Money provided by the owner to the business.
11.	Expenses	C	K	Assets with a useful life of more than a year.
12.	Borrowed capital	A	L	Used to record a transaction in the accounting records of the business.
13.	Income statement	E	M	Total assets less total liabilities.
14.	Non-current liabilities	H	N	Determine the financial position of the business.

VRAAG 4 (TERMINOLOGIE)

No	Incorrect word	Correct word
1	Creditor	Debtor
2	Non-current asset	Current asset
OR	Trading stock	Fixed assets
3	Trade creditors	Trade debtors
OR	Current assets	Current liabilities
4	Own capital	Borrowed capital
5	Expenses	Income
OR	Increases	Decreases
6	Owner	Financial institutions
OR	Borrowed capital	Own capital
7	Income	Expenses
OR	Decreases	Increases
8	Increase	Decrease
9	Balance sheet	Income statement
10	Net profit	Gross profit
11	Source document	Transaction
12	Current liability	Non-current liability
13	Equipment	Drawings
14	Transaction	Source document
15	Gross profit	Net profit