

# SUMMER TASK

## ACCOUNTING

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As part of your preparation for starting an Accounting A Level in September, we would like you to complete the task below and hand in to your teacher in your first week with us.

### TASK:

Answer the following accounting questions. You may have to do a little research to find the answers

Define the term 'bookkeeping'. [2]

Define the term 'accounting'. [2]

State two reasons why it is necessary to prepare financial statements at regular intervals. [4]

What are the two main financial statements [2]

Define each of the following terms: [6]

Assets :

Liabilities:

Capital:

This is the accounting equation: "Assets= Liabilities + Capital" [6]

Complete the following table:

Assets (\$)	Liabilities (\$)	Capital (\$)
12,500	1,800	
28,000	4,900	
16,800		12,500
19,600		16,450
	6,300	19,200
	11,650	39,750

Which of the items in the following list are liabilities/ assets? [6]

- Bank Loan .....
- Bank overdraft .....
- Fixtures and fittings .....
- Warehouse we own .....
- Computers: .....
- Amount we owe a supplier for goods purchased .....

Classify the following items into liabilities or assets: [8]

- |                         |                            |
|-------------------------|----------------------------|
| Motor vehicle .....     | Inventory .....            |
| Premises .....          | Trade payables.....        |
| Trade receivables ..... | Amount owing to bank ..... |
| Stock of goods .....    | Cash in hand .....         |