

Grade 7 Term 2: Economic and Management Sciences: Accounting-concepts

Most businesses follow the same pattern in keeping a record of their transactions. The person who manages the records on a daily basis is called the 'bookkeeper'. The accountant takes the bookkeeper's figures and looks through them to see if they are correct.

The accountant will be able to tell if the business is making a loss or profit and will re-organise the data in a way that gives the business owners direction for the future of the business.

Activity: Re-organise these accounting concepts with their definitions.

There are words known as 'accounting concepts' that bookkeepers and accountants have to know. In the left column below is an alphabetical list of these concepts. In the right column are the definitions but they are all mixed up. In your work book, redo the list using your dictionary to make sure the right definition is used.

Accounting concepts	Definition
Assets	Debt that is paid over a longer period than a year.
Bank	Income is higher than expenses.
Banking	The amount of money needed for running the business.
Bank account	Possessions acquired by the business to use for longer than a year i.e. property, vehicles, land and buildings.
Budget	A place where the business can keep its money safe until it is needed.
Capital	Financial service from banks whereby they receive a business's money and make it available when they need to use it.
Current Assets	This is sometimes called a current bank account. It is used daily to deposit money and pay business accounts or expenses.
Current Liabilities	A plan of expected income and expenditure for the month.
Expenses	Creditors that need to be paid within a year, such as a bank overdraft and creditors.
Financial records	Money and other assets which can be used to start the business.
Fixed Assets	The part of an income that is kept for future use.
Income	A transaction is recorded on this document using headings such as Date, Amount, Items purchased, Amount paid etc.
Liabilities	Business expenses are higher than the business income.
Loss	The process of capturing information about business transactions.
Non-current liabilities	Any activity where money or items of value are exchanged between people.
Profit	Total amount of money earned and received over a period of time.
Recording	Debt or financial obligations of a business.
Savings	Temporary assets that can be converted into cash within a year.
Source document	A valuable resource owned by the business.
Transaction	A formal record of the financial activities of a business.

EMS support work Term 2 (For parents)

Resources (Recommended links)

Worksheets and class notes, dictionary,

Budget video – <https://goo.gl/cpXlbZ>

You tube video: 'Teaching money to kids and how they work' -

<https://goo.gl/fq11mO>,

You tube video: IFRS standards – why do they matter? <https://goo.gl/1yps8j>

Educator references

<https://goo.gl/rE0JRX>

<https://goo.gl/Jss2fc>

<https://goo.gl/u1x6z7>

<https://goo.gl/xObGm>

<https://goo.gl/KdbrJr>

<https://goo.gl/hetS3Y>

<https://goo.gl/AwKBQp>

<https://goo.gl/oFLvuf>

<https://goo.gl/f49rkZ>

<https://goo.gl/YFbsaJ>

<https://goo.gl/3dYwyf>

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