

4th Form Principles of Accounting
Revision Activity # 1
Ladyville Technical High School



Section One: Definitions. Type the word that is best defined in each definition.

1. A skill or practice of maintaining accounts and preparing reports to aid the financial control and management of a business.
2. If a business starts trading it will require resources, expressed as; resources supplied by the owner = resources in the business or capital = asset – Liabilities.
3. A person to whom money is owed for goods or services, originally as a creditor.
4. A person who owes money to the organization for goods and services supplied, originally as a debtor.
5. Resources owed by the business.
6. Total of money owed for assets supplied to the business.
7. Is the process of recording business transactions and managing such records of books of accounts or by using a computerized software accounting package.
8. The aim of a business is to make a and be .
9. The period in which a business operates its financial year. It involves recording all trading activities from source documents to the preparation of the financial statement.

Word Bank

Profit	accounts receivable	accounting	Assets
Book keeping	accounts payable	accounting cycle	accounting equation
	Liabilities	successful	

Section Two: List the steps in the accounting cycle.

The diagram consists of a central blue circle with the text "THE ACCOUNTING CYCLE" in white. Surrounding this central circle are eight smaller light blue circles, each containing a number from 1 to 8. Each of these outer circles has a white rectangular box inside it, intended for a student to write the step of the accounting cycle. The circles are arranged in a ring around the center, with numbers 1 through 8 in clockwise order starting from the top.

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Suggested Answers

1. Prepare adjusted trial balance
2. Record journal entries
3. Make closing entries
4. Identify and analyze transactions
5. Prepare unadjusted trial balance
6. Post to general ledger
7. Prepare financial statement
8. Make adjusting entries