

## ACCOUNTING FOR REVENUES

1. Revenue is \_\_\_\_\_ that results from the \_\_\_\_\_ activities of an entity.
2. Income is made up of both \_\_\_\_\_ and \_\_\_\_\_.
3. Three categories of income are:
  - The sale of \_\_\_\_\_
  - The rendering of \_\_\_\_\_
  - The use of entity's \_\_\_\_\_ by others (interest, royalties and dividends)
4. Revenue is recognized when it is probable that \_\_\_\_\_ benefits will flow to an entity and these benefits can be measured \_\_\_\_\_.
5. Five steps for revenue recognition are:
  - Identify the \_\_\_\_\_ with a customer
  - Identify the \_\_\_\_\_ in the contract
  - Determine the \_\_\_\_\_
  - Allocate the \_\_\_\_\_ to the \_\_\_\_\_ in the contract
  - Recognize \_\_\_\_\_ when the entity satisfies a \_\_\_\_\_
6. The amount of revenue to be recognized or recorded is measured at the \_\_\_\_\_ of the consideration received or receivable (cash to be collected or received in the future).
7. The \_\_\_\_\_ basis and \_\_\_\_\_ concept of accounting are the two main accounting concepts and assumptions to be complied with in recording revenue.