



Subject-Accounting

Grade-12

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Competency 2.0 – Presents transactions and events of a business through an accounting equation.

Competency Level 2.3 – Prepares Income statement and statement of Financial position using accounting equation.

(1) Insert the following words in the appropriate blanks in the following statements to complete them:

Matching concept, Income statement, Statement of Financial Position, Net Assets, Profit/Loss.

- (i) A _____ is prepared to determine the operating results of the business at the end of a specific period.
- (ii) In order to calculate the profit or loss at the end of a specific period of time the expenses incurred to generate income is calculated according to the _____.
- (iii) The document that provides information on the assets, liabilities and equity a business as at a given date is known as the _____.
- (iv) The main purpose of the Income Statement is to calculate the _____ for a given period.
- (v) The equity of a business is also known as the _____.

The Statement of Financial Position of Sanjeeva's business as at 2016/12/31 was as follows:

		(Rs.000s)	
Equity		Non-Current Assets	
2016.01.01 Capital	40000	Land & Buildings	18000
Net Profit	2000	Equipment	12000
Equity at 2016/12/31		
Non current Liabilities		Current Assets	
Bank Loan	2000	Inventory	3000
		Debtors	7000
Current Liabilities		Cash	5000
Creditors		

- Fill in the blank sections.