

**Ba Sangam College**  
**Year 9**  
**Commercial Studies**  
**Worksheet 5**

**Topic: Business Information I**

**Multiple Choice**

1. The accounting concept of Double entry principle originated in the 15<sup>th</sup> century by an Italian named?

- |                        |                 |
|------------------------|-----------------|
| A. Adam Smith          | B. Luca Pacioli |
| C. Thomas Robert Matus | D. Gold Smith   |

2. Which one of the following is an internal user of the financial reports?

- |               |                       |
|---------------|-----------------------|
| A. Competitor | B. Government         |
| C. Management | D. Potential Investor |

3. Business behaviour that strengthen relationships between employer, employee, customers and societies as a whole is known as \_\_\_\_\_ ethics.

- |              |              |
|--------------|--------------|
| A. social    | B. religious |
| C. financial | D. economic  |

4. Which of the concept states that financial affairs of the business must be treated separate from the affairs of the owners?

- |                            |                              |
|----------------------------|------------------------------|
| A. Matching concept        | B. Double entry concept      |
| C. Historical cost concept | D. Accounting entity concept |

5. An auditor

- |                               |   |
|-------------------------------|---|
| A. manages a business.        | B. checks the accuracy of financial records.      |
| C. prepares financial budget. | D. analyses financial report for decision making. |

### Short Answer Question

1. Define **Accounting**
2. State a **reason** why the following external uses of accounting information are interested in the business financial report.
  - a) Shareholders
  - b) Lenders
  - c) Government
  - d) Customers
  - e) Competitors
3. Which accounting concept states that only transactions with money value are to be recorded?
4. Briefly explain the term **business ethics**.
5. Recording of transaction at their original cost is called \_\_\_\_\_.

### Financial Accounting

Kavita wants to buy a piece of land in Nadi to start her vegetable farming. The piece of land is worth \$40,000, her mother gave her \$5,000 as a gift and her savings is \$5,000. She will sell her car for \$10,000 cash.

1. Work out how much money she needs in order to buy the farm.
2. State **three** reasons for starting a business.
3. State **two** important decisions she needs to make before starting her farming business.
4. Identify an internal and external source of fund used by Kavita to start her vegetable farming.
5. If she has to borrow from a bank, name the security the bank would need from her.

**THE END**