

Balance sheet bingo

<p>These are items owned by the business for the long term.</p> <p>Fixed assets</p>	<p>These are items owned by the business in the short term.</p> <p>Current assets</p>	<p>Current assets less current liabilities.</p> <p>Working capital</p>	<p>The fall in value of a fixed assets to allow for replacement of the item at some time in the future.</p> <p>Depreciation</p>
<p>What the owner of a business takes out of the business for his personal use – this can be cash but might also be items of stock.</p> <p>Drawings</p>	<p>The money owner/s have invested in the business at the start of the accounting period.</p> <p>Opening capital</p>	<p>The difference between revenue earned after cost of sales and expenses have been deducted.</p> <p>Profit</p>	<p>Items owed by the business in the short term (less than 12 months).</p> <p>Current liabilities</p>
<p>All the assets minus all the liabilities.</p> <p>Net assets</p>	<p>Money borrowed from the bank for a period of over one year.</p> <p>Long term bank loan</p>	<p>Suppliers you owe money to. You've purchased stock and not paid for it.</p> <p>Creditors</p>	<p>Customers who owe you money. You've made a sale to them which they haven't paid for.</p> <p>Debtors</p>
<p>Money that is owed to the bank which has been borrowed on a short term basis only.</p> <p>Bank overdraft</p>	<p>This is one example of a fixed asset.</p> <p>Motor vehicle</p>	<p>A bill that you have paid in advance – for example this could be for rental of the telephone.</p> <p>Prepayment</p>	<p>An unpaid bill, for example for gas or electricity.</p> <p>Accrual</p>
<p>A financial statement showing what a business owns, owes and how it is financed.</p> <p>Balance sheet</p>	<p>Assets are £67,000, liabilities are £45,000, so what is the net assets figure?</p> <p>£22,000</p>	<p>Current assets are £12,500, current liabilities are £7,800, so what is the working capital figure?</p> <p>£4,700</p>	<p>Cost of motor vehicles is £26,900, accumulated depreciation is £10,000, so what is the net book value of motor vehicles?</p> <p>£16,900</p>