

Accounting Concepts

Assessment Task

Net worth and accounting concepts (Group activity) (LO3 AS1)

Hold a group discussion about your Grade 8 accounting knowledge. Let your discussion be guided by the questions below. Answer the questions in your workbook.

- a) What is a person's net worth? [1 mark]
- b) How is the net worth of a business calculated and what is another name for it? [2 marks]
- c) If a person has assets to the value of R2 million and debts to the value of R2 million, is the person wealthy or not? [1 mark]
- d) What is the accounting equation? [3 marks]
- e) What financial statements do you know of that are used in a business? Name two. [2 marks]
- f) How do you calculate profit? [1 mark]

[Total: 10 marks]

Group assessment checklist

Criteria	Yes	No
Our group could explain what a person's net worth is.		
Our group could explain how the net worth of a business is calculated.		
Our group understands what the accounting equation is.		
Our group could name two financial statements that are used in a small business.		
Our group could explain how you calculate profit.		
Our group understands the necessity for prudence when working with a business's money.		

