

Accounting Concepts

Assessment Task

Accounting in retail and service businesses (Individual activity) (LO3 AS1)

Answer the following questions in your workbook.

- a) Explain what a retail business is. Give two examples of a retail business. [3 marks]
- b) Explain what a service business is. Give two examples of a service business. [3 marks]
- c) What is the difference between the earnings and the profit of a business? [2 marks]
- d) Why would you want to compile an income statement for a business? [2 marks]

[Total: 10 marks]