

Name _____ Class _____ Date: _____

Time: _____

Max Marks : 10

Marks: _____

Worksheet: Accounting Concepts

Name the accounting concepts described in the statements.

1. The business is separate entity from its owner.

2. Business will operate indefinitely.

3. All transactions should be recorded at the original cost to the business.

4. There must be an objective verifiable evidence for the occurrence of any business transaction.

5. Accounting methods and practices should not differ from period to period.

6. Transactions must be expressed in monetary terms.

7. Profit should not be overstated by ignoring foreseeable losses and revenue should not be recorded before it is earned.



8. Revenue is recognised when it is earned and expenses when they are incurred.

9. Revenue is recognised as being earned when legal liability to pay is incurred by the customer (i.e. when ownership of goods passes to the customer).

10. For any particular period costs must be matched against related income.

Teacher's feedback