

TAVUA COLLEGE
YEAR 11 ACCOUNTING
WEEKLY HOME STUDY PACKAGE – WEEK 2 (12/07/21 – 16/07/21)

SOLUTION

1. Income refers to **revenue** or sales which is the money that a business receives from selling goods or services through the normal course of business. **(1mark)**
2. **Income refers** to the money that a business receives from selling goods or services through the normal course of business while **other income** is **income** derived from activities unrelated to the main focus of a business or income derived from outside the normal course of the business.

(2marks)

(1 mark for each definition with the word while/whereas in between to differentiate)

3.

Business	Income from normal course of operation (main source of income)	Income from outside normal course of operation
Bookshop/Motor Part Shop	Sales	Rent received, discount received, commission received, interest on FD/investments, dividend received, gain on sale of fixed assets etc. (any two incomes)
Supermarket	Sales	
Hardware shop	Sales	
Bus Company/ Taxi Business	Fares received	
Doctor's/Dentist Surgery	Fees received	
Accountant/Lawyer's Firm	Fees received	

(for each type of business (any two), 1 mark each for Income from normal course of operation (main source of income) and 1 mark each for Income from outside normal course of operation.

(4 marks)