**Task 1 for submission**

*Parts A and B address* ***Unit Objective 1 - Comprehend accounting concepts, principles and processes relating to accounting and end-of-month reporting for a service business.*** *The cognitive verbs,* ***describe*** *and* ***explain*** *are components of* ***comprehend*** *ie to show your comprehension of a concept, principle or process, you must describe or explain the concept, principle or process.*

**Part A**

In 50 – 75 word paragraphs, **describe** the following accounting concepts:

1. Unlimited liability
2. Legal entity

**Part B**

In 50 – 75 word paragraphs, **explain:**

1. the ownership structure of a sole trader
2. the ownership structure of a company
3. the interrelationship between assets, liabilities and owner’s equity in the accounting equation

*Part C addresses* ***Unit Objective 3 – analyse and interpret financial data and information relating to accounting and end-of-month reporting for a service business.***

**Part C**

**Analyse** and **interpret** the financial reports for *Flight Centre Travel Group Ltd* and *Artiste Perfection* (provided in PPT 2). Select the correct responses to the following questions.

1. *Flight Centre Group Ltd* is a
2. Non-profit organisation
3. Partnership
4. Public Company
5. Private Company
6. *Flight Centre’s* Statement of Profit or Loss has a number of differences compared to a sole trader’s Statement of Profit or Loss. Which account would not appear in a sole trader’s Statement of Profit or Loss?
7. Basic earnings per share
8. Finance expenses
9. Wages
10. Freight expenses
11. Which account would not appear in a sole trader’s Statement of Profit or Loss?
12. Service revenue
13. Income tax expenses
14. Supplies expenses
15. Council rates
16. Flight Centre’s Balance Sheet (Statement of Financial Position) has a number of differences compared to a sole trader’s Statement of Financial Position. Which account would not appear in a sole trader’s Statement of Financial Position?
17. Inventories
18. Property
19. Goodwill
20. Retained profits
21. Which account would not appear in a sole trader’s Statement of Financial Position?
22. Plant and equipment
23. Intangible assets
24. Reserves
25. Drawings