**Activity 1**

**The picture shown in class was of Sunglasses on the sand of a beach and a beautiful sunset is reflected in the glasses which includes 2 people.**

* Pricing of the glasses?
* When were the glasses sold?
* The blurriness of the image around the glasses and the glasses reflect with clarity. This shows that accounting needs to filter out all of the useless / non-required information (mostly financial) and create financial clarity of a business.
* The image feels like a holiday, the image could also represent budgeting and saving cash to spend on these luxuries.

# **Activity 2**

Match the terms with the most suitable description.

|  |  |  |  |
| --- | --- | --- | --- |
| Term | | Description | |
| 1 | ~~Proprietorship~~ | **A** | ~~Feature that makes companies the dominant form of business organisation~~ |
| 2 | ~~Management Accounting~~ | **B** | ~~Represent the ownership in a Company~~ |
| 3 | ~~Shares~~ | **C** | ~~A person who owns shares in a company~~ |
| 4 | ~~Limited liability~~ | **D** | ~~An event that both affects the financial position of a particular entity and can be reliably measured~~ |
| 5 | ~~Partnership~~ | **E** | ~~Outside accountants who are completely independent of the business and form an opinion on whether the financial statements are materially correct~~ |
| 6 | ~~Creditors~~ | **F** | ~~Type of entity that is designed to limit personal liability exposure~~ |
| 7 | ~~Transaction~~ | **G** | ~~The branch of accounting that focuses on information for internal decision makers of a business~~ |
| 8 | ~~Shareholder~~ | **H** | ~~Another name for a sole trader~~ |
| 9 | ~~Financial Accounting~~ | **I** | ~~The language of business~~ |
| 10 | ~~External Auditor~~ | **J** | ~~Person or business lending money to entity~~ |
| 11 | ~~Limited liability company~~ | **K** | ~~The branch of accounting that focuses on information for people outside the firm~~ |
| 12 | ~~Accounting~~ | **L** | ~~Normally, owners have joint unlimited liability~~ |

**Answer**

|  |  |
| --- | --- |
| **Term** | **Description** |
| 1 | **H** |
| 2 | **G** |
| 3 | **B** |
| 4 | **A** |
| 5 | **L** |
| 6 | **J** |
| 7 | **D** |
| 8 | **C** |
| 9 | **K** |
| 10 | **E** |
| 11 | **F** |
| 12 | **I** |

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| **Case 1.**  Sally just finished her hair dressing course at TAFE and has the funds to open her own salon.   * What type of business structure would best suit Sally? * What type of accounting is needed/what accounting related regulation is she impacted by? * Who are her stakeholders?   Sole Trader business structure  Management accounting & Tax accounting  Herself, customers, government, environment, creditors, suppliers, employees |
| **Case 2.**  Blue Pools Pty Ltd. are looking to expand their business globally. At the moment they have 10 shareholders but need extra capital to expand their operations.   * What are their (3) options to get additional capital? * If they take a ‘going public option’, what regulations do they have to follow? * Who are their stakeholders?   Loan (Debt) / Raise Private capital (Equity) / List publicly  Financial accounting & Audit accounting (?)  Owners / shareholders, customers, employees, unions, government, creditors, suppliers, employees |
| **Case 3.**  Bob aims to open ‘Shelter for Puppies’ a business that houses puppies that are lost, unwanted or homeless. Bob has space on his property and finance to back his business. However, as Bob is running a business that is considered a social service, beneficial for animal rights and which he does not aim to make a profit, he does not feel he should pay 30% tax, and may not be able to raise donations and income that will cover extra business fees.   * What business structure is best for Bob’s shelter? * What type of accounting is required? * Who are his stakeholders?   Non-for-profit???  Management accounting & Tax accounting & Financial accounting(?)  Himself, customers, government, environment, creditors, suppliers, employees |