



Q7. State clearly what would constitute the operating activities for each of the following of enterprises:

- i. Hotel
- ii. Film production house
- iii. Financial enterprise
- iv. Media enterprise
- v. Steel manufacturing unit
- vi. Software development business unit.

Solution:

i. Hotels

- i.
 - 1. Proceeds from the sale of goods to consumers
 - 2. Payment of wages and salaries, electricity, food items and other items used in accommodation

ii. Film Production House

- 1. Proceeds from selling film rights to distributors
- 2. Payment to staff, actors, actresses, directors etc.

iii. Financial Enterprises

- i.
 - 1. Proceeds from repayment of loans, interest incomes from investments etc.
 - 2. Repayments of loans, recovery expenditure for recovery of loans, salaries of employees

iv. Media Enterprises

- i.
 - 1. Proceeds from advertisements
 - 2. Payments to staff, reporters, photographers etc.

v. Steel Manufacturing Unit

- i.
 - 1. Proceeds from sale of steel sheets, steel castings, steel rods etc.
 - 2. Payment for materials such as iron, coal; salaries to staff etc.

vi. Software Development Business Unit

- i.
 - 1. Proceeds from the sale of software and renewal of licenses
 - 2. Payment of salaries to employees etc.

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