

Chapter 2

- 1) What are source documents?
- 2) When will a business issue an invoice? What information is shown on the invoice?
- 3) The inexperienced accountant recorded his worker's personal particulars in the journals.
Explain whether he is right in his action with the support of an accounting theory.

Answers

- 1) paper evidence to show that that transactions have taken place
- 2) For credit sale of goods. Example: amount of sale transaction, invoice date etc
- 3) He should not have recorded these information as the monetary concept states that only the monetary values of transactions should be recorded for accounting purpose.