

3.4 Final accounts

Checklist

What you should know

By the end of this subtopic, you should be able to:

- define the following terms: (AO1)
 - final accounts
 - statement of profit and loss (profit and loss account)
 - statement of financial position (balance sheet)
 - intangible asset
 - depreciation
- explain the purpose of accounts to different stakeholders (AO2)
- analyse the elements of a statement of profit or loss (profit and loss account) and a statement of financial position (balance sheet) (AO2)
- construct a statement of profit or loss (profit and loss account) (AO4)
- construct a statement of financial position (balance sheet) (AO4)
- distinguish between different types of intangible assets (AO2)
- calculate depreciation using the straight-line method (AO4)
- calculate depreciation using the units of production method (AO4)
- discuss the appropriateness of each depreciation method (AO3)

