

Worksheet 1: Match the definition to the key term answers

Commercial term	Mixed up definition	Correct definition
Revenue	Money invested in a business by its owner(s)	<i>The amount of goods or services sold</i>
Cost of goods sold	The assets that a business owns for less than a year	<i>The purchase price of the stock bought for resale</i>
Profit	The debts that a trader or a business owes to someone	<i>Income generated by a business after deducting total expenses from sales</i>
Working capital	The amount of goods or services sold	<i>Money available for the day-to-day running of the business</i>
Fixed asset	Money available for the day-to-day running of the business	<i>A long-term tangible item, e.g. land or machines owned and used by the business that is not expected to be sold within a year</i>
Current asset	The amount charged for borrowing money	<i>The elements in a business that are either cash or can be easily turned into cash within one year, e.g. stock and debtors</i>
Liability	A deduction from the invoice price of goods bought on credit	<i>The debts that a trader or a business owes to someone</i>
Interest	Income generated by a business after deducting total expenses from sales	<i>The amount charged for borrowing money</i>
Capital	The elements in a business that are either cash or can easily be turned into cash within one year, e.g. stock or debtors.	<i>Money invested in a business by its owner(s)</i>
Cash discount	The amount of money received during a trading period	<i>A deduction from the invoice price of goods bought on credit</i>
Trade discount	A long-term tangible item that is not expected to be sold within a year	<i>Reduction in the list price of a good sold within a trade</i>
Income	The purchase price of the stock bought for resale	<i>The amount of money earned by a business during a trading period</i>
Mark-up	A long-term tangible item, e.g. land or machines owned and used by the business that is not expected to be sold within a year	<i>Amount added by a business on the cost price of goods offered for sale</i>