



## Worksheet 3: Key term meanings answers

1

- Profit
- Revenue
- Turnover

Why is it the odd one out? *Profit*

*The other two terms mean the amount gained from selling goods. Profit requires the subtraction of costs/expenses from this amount.*

2

- Consumers
- Debtors
- Receivables

Why is it the odd one out? *Consumer*

*The other two terms mean someone who buys a product or service from the business and owes money to the business. A consumer is someone who uses a product or service. Sometimes the person who purchases it, is not the consumer. For example, a parent is often the customer who buys a toy, but their child may be the consumer.*

3

- Cash discount
- Settlement discount
- Trade discount

Why is it the odd one out? *Trade discount*

*The other two terms mean that the discount is allowed for early payment of the amount due, but trade discount is not dependent on payment made, it is allowed for bulk buying and for loyalty.*

4

- Purchases daybook
- Purchases journal
- Purchases account

Why is it the odd one out? *Purchase account*

*The other two terms are books of prime entry to record the credit purchases, but the purchases account records the purchases whether cash or credit.*