



## Worksheet 1: How to answer the question

For each of the following questions, decide whether it is a demonstration and/or application of knowledge and understanding.

- 1 Identify two advantages to the company of a rights issue of ordinary shares.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?

- 2 State two benefits of preparing regular bank reconciliation statements.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?

- 3 Calculate the revenue for the year ended 31 December 2020.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?

- 4 Calculate the interest cover ratio of Z plc at 31 December 2020.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?



- 5** Prepare Sergio's bank reconciliation statement at 31 May 2020 to show the balance in the cash book before it is updated.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?

- 6** State three items other than the profit and loss sharing ratio which may be included in a partnership agreement.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?

- 7** Prepare the ledger accounts to record these transactions.

What are you identifying?

Is it demonstration or application of knowledge and understanding or both?