

Grade 9 EMS Worksheet

The income statement and the balance sheet

Complete the following sentences by filling in the missing word:

- a) The _____ gives us the financial position of the business at a given date. [1 mark]
- b) In the balance sheet we look at the comparison of _____, _____ and _____.
[3 marks]
- c) The income statement gives a breakdown of the _____ and _____ of a business over a certain period of time.
[2 marks]
- d) The total earnings of a business before expenses are deducted are called the _____.
[1 mark]
- e) The accounts you use for drawing up the income statement are those in the _____ accounts section of your ledger.
[1 mark]
- f) When an amount is placed in brackets in an income statement, it indicates that it should be _____.
[1 mark]
- g) At the end of a balance sheet, your assets and your owner's equity plus liabilities should _____.
[1 mark]

[Total: 10 marks]

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Suggested Solutions

Question number	Possible marks	Solution
1	10	<p>a) The <u>balance sheet</u> gives us the financial position of the business at a given date. [1 mark]</p> <p>b) In the balance sheet we look at the comparison of <u>assets</u>, <u>liabilities</u> and <u>owner's equity</u>. [3 marks]</p> <p>c) The income statement gives a breakdown of the <u>income</u> and <u>expenses</u> of a business over a certain period of time. [2 marks]</p> <p>d) The total earnings of a business before expenses are deducted are called the <u>gross earnings</u>. [1 mark]</p> <p>e) The accounts you use for drawing up the income statement are those in the <u>nominal accounts</u> section of your ledger. [1 mark]</p> <p>f) When an amount is placed in brackets in an income statement, it indicates that it should be <u>subtracted</u>. [1 mark]</p> <p>g) At the end of a balance sheet, your assets and your owner's equity plus liabilities should <u>balance</u>. [1 mark]</p>