**Unit 1: What is Accounting Anyway?**

**Activity 1: Part 2: What is Accounting Anyway?**

1. Businesses are in business to do what?
2. A business owner’s paycheque is dependent on what?
3. Define accounting.
4. Define financial information.
5. Accounting turns a mess of disorganization and a pile of receipts and bills into what?
6. Why do business owners need to know how much money their business is making in a day, week, month, year?
7. When is being audited stressful?
8. What are the benefits of educating yourself in accounting?

**Questions IconCheck Your Understanding**

1. What is the primary goal for most businesses?
   1. provide jobs to employees
   2. provide customers with goods and services
   3. make a profit
   4. pay taxes
2. Accounting is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ . (Give a definition).
3. Is the following statement true or false? Explain why? Businesses need to have accurate accounting records for the government.
4. Why is it important that a business have a process of keeping financial information organized?

Click on “Next” and scroll down to the general journal section:

1. Define “journal”.
2. Define source document.
3. Define transaction.
4. Define ledger.
5. Define account.
6. What is a balance sheet?
7. What are income statements?
8. What is the difference between accounting and bookkeeping?

#### Questions IconCheck Your Understanding

1. How is an accounting system like desk accessories?
2. The journal is referred to as the \_\_\_\_\_\_\_\_\_\_\_\_
   1. General Journal
   2. Accounting Journal
   3. Book of original entry
   4. both a and c
3. Why does a business owner make financial statements?
4. Name four types of source documents.
5. What does GAAP stand for?
6. What does IFRS stand for?
7. What are GAAPs and IFRSs?
8. What do they allow users of accounting to do?

#### Check Your Understanding

1. GAAP are like the \_\_\_\_\_\_\_\_\_\_ of accounting.
   1. cool in stylish clothes
   2. rules
   3. laws
   4. both b and c
2. Why is it important that there are GAAP in accounting?